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June 3, 2004

VIA HAND DELIVERY

Honorable Kim Beals, Esq., Hearing Officer
c/o Sharla Dillon, Docket & Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee, 37243-0505

Re: Petition of Cellco Partnership d/b/a/ Verizon Wireless for Arbitration Under the
Telecommunications Act of 1996, TRA Consolidated Docket No. 03-00585

Dear Hearing Officer Beals:

Attached hereto please find an original and thirteen (13) copies of the Matrix and direct testimony of (i) William H. Brown on behalf of Cingular Wireless, (ii) Billy H. Pruitt on behalf of Sprint PCS, and (iii) W. Craig Conwell on behalf of Verizon Wireless, Cingular Wireless, AT&T Wireless and T-Mobile. The direct testimony of the other CMRS Providers (as defined below) will be filed under separate cover today.

Pursuant to Hearing Officer's Beal's Order Modifying Procedural Schedule dated, April 15, 2004, the petitioners in this consolidated docket, Verizon Wireless, Cingular Wireless, AT&T Wireless, T-Mobile and Sprint PCS (collectively the "CMRS Providers"), today have filed the direct testimony of the following witnesses:

Witness

Company

Marc B Sterling
William H. Brown
Suzanne N. Nieman
Greg Tedesco
Billy H. Pruitt
W. Craig Conwell

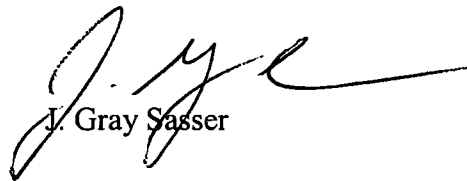
Verizon Wireless
Cingular Wireless
AT&T Wireless
T-Mobile
Sprint PCS
Verizon Wireless, Cingular
Wireless, AT&T Wireless and
T-Mobile

Honorable Kim Beals, Esq., Hearing Officer
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In order to expedite the arbitration process and to avoid repetition to the extent reasonably possible, the CMRS Providers have each assumed primary responsibility for certain designated issues in their respective testimony. Attached to this letter is a matrix (the "Matrix") that (i) lists the areas that the CMRS Providers will cover in their testimony; (ii) identifies the CMRS Provider primarily responsible for each area; and (iii) cross references the related issue from the Joint Issue Matrix submitted by the parties on March 4, 2004. To the extent not otherwise addressed by his or her individual testimony, each CMRS Provider witness generally concurs with the testimony submitted by the other CMRS Providers regarding those areas for which they assumed primary responsibility.

The enclosed documents have been served on counsel for the Rural Coalition of Small LECs and Cooperatives. If you have any questions about this filing or need any additional information, please do not hesitate to give me a call at (615) 744-8576.

Regards,



J. Gray Sasser

JGS/ctr
enc.

cc: William T. Ramsey, Esq.
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Edward Phillips
Charles W. McKee
Elaine Critides
Dan Menser
Marin Fettman
Leon M. Bloomfield

CMRS PROVIDERS' TESTIMONY MATRIX:
AREAS OF EMPHASIS AND RELATED ISSUES

CMRS PROVIDER	AREA OF EMPHASIS	ISSUE NO.
Each	<i>Purpose of testimony</i>	
Each	<i>Witness background and experience</i>	
Each	<i>CMRS Providers' Service</i>	
Each	❖ Information regarding CMRS Providers' company, network, and service generally and in Tennessee	
Each	❖ Current interconnection agreements with BellSouth and conversion to meet point billing	
Each	❖ Exchange of traffic and interconnection agreements with the ICOs	
Each	❖ Each CMRS Provider's affiliate(s) seeking interconnection	ICO 4
Sprint PCS	○ Network enlargement through management agreements	
Each	❖ Overview of numbering resources in Tennessee	Supports Issue 12
	<i>Negotiations with ICOs</i>	
Each	❖ with individual ICOs	
Sprint PCS	❖ collectively	

	<i>Arbitration Issues</i>	
AT&T Wireless	❖ <i>Intermediary Carrier Participation in the Interconnection/Arbitration Process</i>	4, 9, 3, ICO 1, ICO 3
Sprint PCS	❖ <i>Resolution of Issues Between BellSouth and the ICOs is not a Pre-requisite to Interconnection Between the ICOs and CMRS Providers</i>	ICO 9
AT&T Wireless	❖ <i>Scope of the Agreement</i>	ICO 8
	○ should not be limited to transit traffic carried by BellSouth or other intermediary carriers specifically identified in the Agreement	14
	○ should not be limited to indirect traffic	15
	○ should not be limited to calls which originate in a certain specified area	ICO 5, 8
	○ should not be limited to traffic for which accurate billing records are provided	13
	❖ <i>Indirect Interconnection</i>	
Sprint PCS	○ Legal obligation to provide indirect interconnection, applicability of section 251(b)(5)	1, 2
Sprint PCS	○ Third party traffic can be delivered by BellSouth even if ICOs do not subtend the BellSouth tandem	ICO 2
Sprint PCS	○ Originating carrier bears the obligation to pay any transit costs	5
Sprint PCS	○ Traffic can be co-mingled (including with "access" traffic)	6

	❖ <i>Direct Interconnection</i>	
Verizon Wireless	○ Why provisions regarding direct interconnection should be included in the interconnection agreement and what issues should be resolved	15
Verizon Wireless	○ Where the Point of Interconnection should be	7
Verizon Wireless	○ What percentage of the cost of the interconnecting facilities should be borne by the ICOs	7
Sprint PCS	❖ <i>Network Changes</i>	18
	❖ <i>Compensation</i>	
Cingular	○ What laws govern (applicability of section 251(b)(5) to indirect)	2
Cingular	○ Pricing methodology and bill & keep	8
Cingular	○ Appropriateness of factors	9, 11
Cingular	○ De minimis traffic	10
Cingular	○ When access charges apply	ICO 6
Sprint PCS	○ Scope of traffic covered by reciprocal compensation obligation	2(b)
Verizon Wireless	❖ <i>Dialing Parity and Non-Discrimination in End User Rates</i>	12
AT&T Wireless	❖ <i>Generic Contract Provisions</i>	16, ICO 10
AT&T Wireless	○ Termination provisions	17

Petition of:

Consolidated Docket
No. 03-00585

8 Q. BRIEFLY STATE YOUR EDUCATION AND EXPERIENCE AS IT
9 RELATES TO THE PROVISION OF TELECOMMUNICATIONS

1 **SERVICES GENERALLY AND COMMERCIAL MOBILE RADIO**
2 **SERVICE IN PARTICULAR.**

3 A. I have a Bachelor of Science Degree in Mathematics from North Georgia College
4 and a Master of Business Administration Degree from the University of Alabama
5 in Birmingham (UAB). I have been employed in the communications industry for
6 thirty-eight (38) years and in wireless for twenty-two (22) years. My work
7 experience includes engineering, economic analysis, rate and tariff development
8 and filings, and regulatory responsibilities. I have testified before a number of
9 state commissions, including Georgia, Florida, Hawaii, Indiana, Wisconsin,
10 Alabama, Louisiana, California, South Carolina, Massachusetts, Mississippi,
11 Tennessee, Missouri, Oklahoma and Kentucky.

12
13 **Q. WHAT CINGULAR AFFILIATES ARE CURRENTLY PROVIDING**
14 **COMMERCIAL MOBILE RADIO SERVICE IN TENNESSEE?**

15 A. Cingular is currently providing Commercial Mobile Radio Service ("CMRS") in
16 Tennessee through the following affiliates: BellSouth Mobility LLC, BellSouth
17 Personal Communications, LLC and Chattanooga MSA Limited Partnership.

18
19 **Q. HAS CINGULAR NEGOTIATED INTERCONNECTION AGREEMENTS**
20 **WITH ANY LOCAL EXCHANGE CARRIERS IN TENNESSEE?**

21 A. Yes. Cingular has negotiated interconnection agreements with BellSouth and
22 Highland Telephone Cooperative in Tennessee. Those agreements, including
23 amendments, have been approved by and filed with the TRA. Cingular is

1 currently involved in negotiations with Sprint United in Tennessee. The parties
2 have entered into an interim arrangement pursuant to 47 C.F.R. § 51.715 while
3 negotiations continue.

4
5 **A. Direct and Indirect Interconnection**

6 **Q. HOW DOES CINGULAR EXCHANGE TRAFFIC WITH BELL SOUTH**
7 **AND HIGHLAND TELEPHONE COOPERATIVE?**

8 A. Cingular has established direct interconnection trunks with both BellSouth and
9 Highland. Traffic exchanged between Cingular and those two companies is
10 carried on the direct trunks. No third-party facilities are involved.

11
12 **Q. HOW DOES CINGULAR EXCHANGE TRAFFIC WITH ALL MEMBERS**
13 **OF THE RURAL COALITION EXCEPT HIGHLAND TELEPHONE**
14 **COOPERATIVE?**

15 A. Because of the relatively low traffic volumes, Cingular has not established direct
16 interconnection trunks with the other members of the Rural Coalition
17 ("Independent Telephone Companies" or "ICOs"). Instead, Cingular and the
18 members of the Rural Coalition have direct connections with BellSouth. Traffic
19 between Cingular and those ICOs thus "transits" BellSouth facilities. This is
20 referred to as "indirect" interconnection.

21
22 **Q. HOW DOES CINGULAR DETERMINE WHEN TO ESTABLISH DIRECT**
23 **INTERCONNECTION TRUNKS WITH A LOCAL EXCHANGE**

1 **CARRIER?**

2 A. Economics is the determining factor. The amount of traffic exchanged with any
3 carrier must reach a certain economic threshold to justify the cost to Cingular of
4 direct trunks. When traffic volumes are small, Cingular generally will choose
5 indirect interconnection through the BellSouth network. When traffic volumes
6 rise to the economic threshold, Cingular generally will choose direct
7 interconnection.

8
9 **Q. ARE ANY OTHER FACTORS INVOLVED IN THE DECISION TO**
10 **ESTABLISH DIRECT INTERCONNECTION TRUNKS?**

11 A. Yes. If Cingular customers want numbers rated in the local calling scope of an
12 ICO, the ICO requires Cingular to establish a direct interconnection trunk with
13 that ICO to obtain such numbers.

14
15 **B. Meet Point Billing Arrangements**

16 **Q. HAVE THE RELATIONSHIPS BETWEEN CINGULAR, BELL SOUTH**
17 **AND MEMBERS OF THE RURAL COALITION CHANGED IN THE**
18 **PAST YEAR? IF SO, PLEASE EXPLAIN.**

19 A. Yes. Prior to July 31, 2003, Cingular terminated traffic to the Coalition Members
20 pursuant to pre-Telecom Act agreements with BellSouth. Pursuant to these
21 agreements, Cingular would make certain payments to BellSouth, and BellSouth,
22 under separate agreements with the ICOs, would make certain payments to the
23 Coalition members. Cingular did not receive any compensation from either

1 BellSouth or the Coalition members for terminating traffic originated by the
2 Coalition. In addition, the rates that Cingular paid BellSouth (and BellSouth paid
3 the ICOs) were based on the ICOs' intrastate switched access charges, which are
4 significantly higher than the TELRIC-based, transport and termination rates
5 authorized by the Telecom Act and implementing FCC Regulations.
6

7 On July 31, 2003, Cingular entered into a "meet point billing" agreement with
8 BellSouth in which Cingular agreed to pay BellSouth a transiting fee for all traffic
9 originated by Cingular and delivered to BellSouth for termination to a Coalition
10 member.¹ Implicit in this agreement was the understanding that Cingular would
11 compensate the Coalition members directly for the termination of Cingular
12 intraMTA traffic (based on appropriate transport and termination rates, not
13 switched access rates), and that Cingular would seek compensation directly from
14 the Coalition members for intraMTA traffic terminated by Cingular (based also
15 on appropriate transport and termination rates).
16

17 Since August 4, 2003, pursuant to an Order of the TRA, Cingular has been in
18 negotiations with the Coalition to establish interconnection agreements that would
19 establish the compensation paid by Cingular to the ICOs and vice-versa..
20 Negotiations have failed to resolve all issues, leading to the current arbitration.
21 Consistent with 47 C.F.R. § 51.715, Cingular has offered an interim reciprocal
22 compensation agreement to each Coalition member, which was, and continues to

¹ One of the primary benefits of Meet Point Billing is to provide call detail records to both the originating and terminating carrier.

1 be, rejected.²

2 **C. Failure To Produce Cost Support**

3 **Q. DURING NEGOTIATIONS, HAVE THE ICOS PRODUCED ANY COST**
4 **SUPPORT?**

5 A. No. This has been the single most frustrating aspect of this entire proceeding.
6 Cingular and the other CMRS Providers have repeatedly requested ICO cost data
7 so that the CMRS Providers can determine an appropriate transport and
8 termination rate. The ICOs have refused to produce any cost data at all and have
9 provided no justification for the refusal.

10
11 **Q. AFTER THE FILING OF THE CONSOLIDATED ARBITRATION**
12 **PETITIONS, DID THE CMRS PROVIDERS REQUEST COST DATA?**

13 A. Yes. The CMRS Providers served upon the ICOs interrogatories and requests for
14 production asking for all ICO cost support. As of the date of the filing of my
15 direct testimony, the ICOs are still refusing to provide any cost data. This refusal
16 is currently one of the subjects of the CMRS Providers' Motion to Compel.

17
18 **Q. DO FCC REGULATIONS REQUIRE THE ICOS TO PRODUCE COST**
19 **SUPPORT?**

20 A. Yes. 47 CFR § 51.301(a) states:

21 "An incumbent LEC shall negotiate in good faith the terms and
22 conditions of agreements to fulfill the duties established by
23 sections 251(b) and (c) of the Act."
24

25 The Regulation goes on to give specific examples of a breach of the duty to

² ICOs in other states, however, have agreed to such interim arrangements with Cingular

1 negotiate in good faith. Section 51.301(c)(8)(ii) states:

2 "If proven to the Commission, an appropriate state commission, or
3 a court of competent jurisdiction, the following actions or
4 practices, among others, violate the duty to negotiate in good faith:

5
6 (ii) Refusal by an incumbent LEC to furnish cost data that would
7 be relevant to setting rates if the parties were in arbitration.
8

9 Not only did the ICOs refuse to provide cost data during negotiations, they have
10 continued to refuse to provide it during this arbitration. According to the FCC
11 Regulations, I believe the ICOs have violated their duty to negotiate in good faith.
12

13 **Q. SHOULD THE ICOS BE ALLOWED TO PRODUCE COST DATA IN**
14 **DIRECT OR REBUTTAL TESTIMONY?**

15 A. If the ICOs should attempt to include cost data in their direct or rebuttal
16 testimony, I believe that such testimony should be stricken. The TRA should not
17 condone the ICOs' failure to comply with direct FCC Regulations. Allowance of
18 such testimony would greatly prejudice the CMRS Providers, who would have
19 had no opportunity to examine the material in the necessary fashion prescribed by
20 FCC Regulations.
21

22 **D. Matrix Issues Discussed in Testimony**

23 **Q. WILL YOUR TESTIMONY DISCUSS EACH ISSUE ON THE JOINT**
24 **ISSUES MATRIX?**

25 A. No. In an effort to streamline testimony and avoid duplication, the CMRS
26 Providers have agreed that each CMRS witness will discuss different issues on the
27 Joint Issues Matrix. My testimony will discuss the compensation issues in dispute

1 between the CMRS Providers and the ICOs. Those issues are shown in the Joint
2 Issues Matrix as follows:

3 **Issue 2**--Do the reciprocal compensation requirements of 47
4 U.S.C. § 251 (b)(5) and the related negotiation and arbitration
5 process in § 252(b) apply to traffic exchanged indirectly by a
6 CMRS provider and an ICO?

7
8 **Issue 8**--What is the appropriate pricing methodology for
9 establishing a reciprocal compensation rate?

10
11 **Issue 9**--Assuming the TRA does not adopt bill and keep as the
12 compensation mechanism, should the Parties agree on a factor to
13 use as a proxy for the mobile-to-land and land-to-mobile traffic
14 balance if the CMRS provider does not measure traffic?

15
16 **Issue 10**--Assuming the TRA does not adopt bill and keep as the
17 compensation mechanism for all traffic exchanged, and if a CMRS
18 Provider and an ICO are exchanging only a de minimis amount of
19 traffic, should they compensate each other on a bill and keep basis?

20
21 **Issue 11**--Should the parties establish a factor to delineate what
22 percentage of traffic is interMTA and thereby subject to access
23 rates? If so, what should the factor be?

24
25 **ICO Issue 6**--Should access charges apply to both the origination
26 and termination of interMTA traffic on the networks of the ICOs?

27
28 These issues primarily involve Appendix A to the Interconnection Agreement
29 proposed by the CMRS Providers and attached to each Petition for Arbitration.

30 The ultimate outcome of this arbitration will be an Interconnection Agreement
31 between each of the CMRS Providers and each ICO. Therefore, in addition to
32 discussing the above issues on the Joint Issues Matrix, I will also discuss why the
33 provisions contained in the CMRS Providers' proposed contract are appropriate
34 and should be adopted by the TRA.

1 In that regard, I will also discuss the net billing provisions in Appendix A of the
2 CMRS providers' proposed contract. Although net billing is not an issue in the
3 Joint Issues Matrix, I will explain why the Interconnection Agreements between
4 the CMRS Providers and ICOs should contain a net billing option.

5
6 Other topics on the Joint Issues Matrix will be discussed by witnesses for the
7 other CMRS Providers.³
8

9 **E. Contracts Proposed by Rural Coalition**

10 **Q. HAVE THE MEMBERS OF THE RURAL COALITION PROPOSED A**
11 **CONTRACT?**

12 A. Yes. In fact, the Rural Coalition has proposed two contracts. Exhibit 1 to the
13 Rural Coalition's 100 page Response to the Petitions for Arbitration is a proposed
14 "Multi-Party Agreement." This document is intended to be executed by the
15 CMRS Providers, the Coalition members and BellSouth. Exhibit 2 is a "CMRS-
16 LEC Agreement" that is intended to be executed only by the ICOs and CMRS
17 Providers. The Rural Coalition believes, however, that "[a]greements with the
18 CMRS providers cannot be finalized prior to the resolution of necessary terms
19 and conditions with BellSouth that arise as a result of the indirect interconnection
20 terms and conditions sought by the CMRS providers."⁴ In other words, the two-
21 party agreement proposed by the Coalition with the CMRS Providers would be
22 dependent upon a separate two party agreement reached by the ICOs with

³ See Cingular's Petition for Arbitration for Cingular's position regarding issues not discussed in this testimony

⁴ See ICOs' Response, p 17

1 BellSouth. It is thus extremely difficult, in many instances, to determine exactly
2 what the ICOs' position currently is on a particular issue, because the proposals in
3 the two-party agreement between the ICOs and CMRS Providers are dependent
4 upon other, potentially inconsistent, provisions in the two-party agreement
5 between the ICOs and BellSouth.

6
7 For example, on the issue of reciprocal compensation for traffic exchanged
8 through indirect interconnection, the ICOs' proposed two-party contract with
9 CMRS Providers states at § 4.5.1:

10 "[OPEN -- Subject to Change and the resolution of other terms and
11 conditions with Intermediary Provider] With respect to
12 Intermediary Traffic that is IntraMTA ("IntraMTA Intermediary
13 Traffic") and with respect to a specific Intermediary Provider,
14 CMRS Carrier and Rural LEC agree that the originating Party will
15 pay compensation to the terminating Party pursuant to the rates,
16 measurement methods, minutes of use calculation, and percentage
17 traffic values set forth in Appendix X. Compensation for both
18 Parties will be based on a single, combined, per-minute rate, as
19 specified in Appendix X, which encompasses total compensation
20 to either Party for Transport and call Termination of the specific
21 intraMTA Intermediary Traffic."
22

23 At first blush, this language sounds similar to the language contained in the
24 beginning of Section IV of the CMRS Providers' proposed contract:

25 "The Parties may elect to exchange Traffic directly and/or
26 indirectly as specified in Sections A. and B. below. The Parties
27 agree that they shall compensate each other for the Traffic
28 exchanged on a reciprocal and symmetrical basis at the rates
29 specified in Appendix A."
30

31 Both contractual provisions appear to say that in the case of indirect
32 interconnection, the originating party will pay transport and termination charges

1 to the terminating party. However, the ICOs' proposed language is prefaced with
2 the following: "Subject to Change and the resolution of other terms and
3 conditions with Intermediary Provider." As I will discuss in detail below, the
4 ICOs believe that when a CMRS Provider sends intraMTA traffic through the
5 BellSouth network for termination to an ICO, BellSouth should pay terminating
6 compensation to the ICO (apparently at switched access rates, though this is not
7 completely clear). And when an ICO sends intraMTA traffic through the
8 BellSouth network for termination to a CMRS Provider, the ICOs may be taking
9 the position that they should pay nothing to the CMRS Provider, though this point
10 is unclear.

11
12 Thus, although the contractual language contained in the ICOs' proposed two-
13 party agreement with CMRS Providers would appear to be similar to the language
14 proposed by the CMRS Providers, such language is, in fact, "subject to change,"
15 depending upon potentially inconsistent agreements that the ICOs would attempt
16 to force upon BellSouth. For that reason, my testimony will concentrate more on
17 the ICOs' positions as expressed in their Response, and less on the fluid and
18 conditional language contained in the ICOs' proposed two-party agreement.

19
20 The key point to keep in mind is that, from the ICOs' view, it appears that a
21 simple two-party agreement between an ICO and a CMRS Provider, dealing with
22 indirect interconnection and compensation, is not possible. When indirect
23 interconnection is involved, the ICOs contend that agreements with BellSouth

1 must always be incorporated into the final outcome. In short, according to the
2 ICOs, indirect interconnection must always involve three parties rather than two
3 separate agreements between two parties. As discussed immediately below,
4 however, the ICOs' position is incorrect, as the Hearing Officer has already ruled
5 in this case.

6
7 **Q. HAS THE HEARING OFFICER ALREADY DECIDED THAT**
8 **BELLSOUTH NEED NOT BE A PARTY TO THE INTERCONNECTION**
9 **AGREEMENTS BETWEEN THE CMRS PROVIDERS AND ICOS?**

10 A. Yes. In overruling the ICOs' Motion to Dismiss, the Hearing Officer stated:

11 " . . . there is still no provision in federal law to allow for the three-
12 way arbitration and interconnection agreements proposed by the
13 Coalition, especially when the other two intended parties object to
14 such an arrangement, and when such an arrangement has, in fact,
15 been previously prohibited by the TRA."
16

17 This language makes clear that Exhibit 1 to the ICOs' Response (the proposed
18 three-party agreement) is inappropriate and should not be considered in this
19 proceeding.

20
21 The above language also makes clear that the ICOs' proposed two-party
22 agreement with CMRS Providers is defective to the extent that such agreement is
23 "subject to change" based upon potentially inconsistent conditions that the ICOs
24 would attempt to force upon BellSouth.

25
26 **II. SPECIFIC MATRIX ISSUES**

1 A. ISSUE 2

2 Q. DO RECIPROCAL COMPENSTION OBLIGATIONS APPLY TO
3 TRAFFIC INDIRECTLY EXCHANGED BETWEEN A CMRS PROVIDER
4 AND AN ICO; IN OTHER WORDS, TRAFFIC THAT TRANSITS A
5 BELLSOUTH TANDEM?

6 A. Yes. The Telecommunications Act of 1996 ("Act") defines the duty of all
7 telecommunications carriers "to interconnect directly or indirectly with the
8 facilities and equipment of other telecommunications carriers." 47 U.S.C.
9 § 251(a)(1). After the passage of the Act, the FCC reiterated this view:

10 [W]e conclude that telecommunications carriers should be
11 permitted to provide interconnection pursuant to section 251(a)
12 either directly or indirectly, based upon their most efficient
13 technical and economic choices.⁵
14

15 For purposes of intercarrier compensation, neither the Act nor the applicable FCC
16 Regulation makes any distinction between traffic exchanged directly (through a
17 trunk connecting the CMRS Provider's network to the ICO's network) and traffic
18 exchanged indirectly (through a BellSouth tandem, when the CMRS Provider and
19 ICO both connect directly to BellSouth, but not to each other). Reciprocal
20 compensation principles apply to both cases:

21 "Each local exchange carrier has the following duties:
22

23 (5) RECIPROCAL COMPENSATION.--The duty to establish
24 reciprocal compensation arrangements for the transport and
25 termination of telecommunications." 47 U.S.C. § 251(b)(5).
26
27

⁵ *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*, FCC No 96-325, 11 FCC Rcd 15499, ¶ 997 (rel. Aug 8, 1996) ("*Local Competition First Report and Order*").

"Each LEC shall establish reciprocal compensation arrangements for transport and termination of telecommunications traffic with any requesting telecommunications carrier." 47 CFR § 51.703(a).

The FCC defines "telecommunications traffic," when it involves a CMRS provider, to be:

. . . traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in § 24.202(a) of this Chapter.

No distinction is made between direct and indirect traffic. As a result, the Oklahoma and Iowa Commissions have recognized that reciprocal compensation principles apply to all telecommunications traffic exchanged either directly or indirectly.⁶ The decision of the Oklahoma Corporation Commission on this issue was recently affirmed by the U.S. District Court for the Western District of Oklahoma.⁷

Q. WHY IS THIS ISSUE IMPORTANT TO CINGULAR AND THE OTHER CMRS PROVIDERS?

A. As I discussed above, when a relatively small amount of traffic is exchanged, it is often uneconomical for a CMRS Provider to establish direct interconnection trunks with an ICO. As I will discuss below, the ICOs appear to take the position

⁶ See Corporation Commission of the State of Oklahoma, *In the Matter of the Application of Southwestern Bell Wireless L L C et al for Arbitration Under the Telecommunications Act of 1996*, Cause Nos. PUD 200200149, PUD 200200150, PUD 200200151, and PUD 200200153, Final Order, Order No. 468958 (Oct 22, 2002), Iowa Utilities Board, *In Re Exchange of Transit Traffic*, Docket Nos. SPU-00-7, TF-00-275, (DRU-00-2), Order Denying Application for Rehearing (May 3, 2002). Copies of this Final Order were filed with the Authority in this Docket on April 14, 2004, and were served on counsel for the ICOs

⁷ See *Atlas Telephone Co et al v Corporation Commission of Oklahoma, et al*, Order of March 5, 2004, Case Nos. DIV-03-0347-F, CIV-03-0348-F, CIV-03-0349-F and CIV-03--350-F, United States

1 that they do not owe reciprocal compensation to Cingular and the other CMRS
2 Providers in the absence of a direct interconnection trunk. If this position were
3 adopted, then for every ICO member except Highland Telephone Cooperative
4 (with which Cingular has established a direct interconnection trunk), Cingular
5 would be forced to pay termination charges when the ICOs terminate Cingular's
6 traffic but would receive nothing in return for terminating the ICOs' traffic. This
7 position violates the FCC's requirement that compensation be reciprocal.
8

9 **Q. HAS THE ISSUE WHETHER RECIPROCAL COMPENSATION**
10 **PRINCIPLES APPLY TO INDIRECT INTERCONNECTION ALREADY**
11 **BEEN DECIDED IN THIS PROCEEDING?**

12 A. In my opinion, yes. At the beginning of this proceeding, the ICOs filed a Motion
13 to Dismiss the Arbitration Petitions of the CMRS Providers. In overruling the
14 motion, the Hearing Officer found:

15 "Whether the exchange of traffic between two such carriers is
16 direct or indirect via the BellSouth network, explicit in federal law
17 is the duty of each Coalition member to each CMRS provider, as
18 the requesting carrier, to arrange for reciprocal compensation."
19

20 This finding by the Hearing Officer indicates that the ICOs must negotiate
21 interconnection agreements that apply reciprocal compensation principles to both
22 direct and indirect interconnection.
23

24 **Q. WHAT SECTIONS OF THE CMRS PROVIDERS' PROPOSED**
25 **CONTRACT INVOLVE THIS ISSUE?**

1 A. The contract proposed by the CMRS Providers is attached as Exhibit 2 to
2 Cingular's Petition for Arbitration. The beginning of Section IV of that proposed
3 contract states:

4 "The Parties may elect to exchange Traffic directly and/or
5 indirectly as specified in Sections A. and B. below. The Parties
6 agree that they shall compensate each other for the Traffic
7 exchanged on a reciprocal and symmetrical basis at the rates
8 specified in Appendix A."
9

10 Section IV.B.1 states:

11 All Traffic that is not exchanged via Direct Interconnection
12 Facilities shall be exchanged indirectly, and the point of
13 interconnection for both Parties for Reciprocal Compensation
14 purposes shall be at the point where ILEC's network interconnects
15 with the network of an intermediate third party LEC to whom both
16 ILEC and CMRS Carrier are each interconnected.
17

18 These provisions are consistent with the findings of the Hearing Officer and
19 federal law and make clear that traffic exchanged through indirect interconnection
20 is subject to reciprocal compensation principles. Accordingly, the TRA should
21 adopt these provisions.
22

23 **Q. DO THE ICOS AGREE THAT RECIPROCAL COMPENSATION**
24 **PRINCIPLES APPLY TO TRAFFIC EXCHANGED THROUGH**
25 **INDIRECT INTERCONNECTION?**

26 A. No. Although, as I discussed above, some language in the ICOs' proposed two-
27 party agreement may give the impression that the ICOs agree with the CMRS
28 Providers on this issue, the ICOs actually believe that BellSouth should
29 compensate them for CMRS-originated traffic sent through a BellSouth tandem.

1 "The ICOs abide by Section 251(a) and receive CMRS Provider
2 traffic connected to them indirectly by BellSouth. Compliance,
3 however, requires nothing more and most certainly no law, rule or
4 regulation states than an ICO must not hold BellSouth (or any
5 physically connecting carrier) responsible for the traffic BellSouth
6 elects to carry to the ICO end office."⁸
7

8 Regarding ICO-originated traffic that is sent through a BellSouth tandem for
9 termination to the CMRS Providers, the ICOs' position is unclear. I am uncertain
10 if the ICOs agree that they have reciprocal compensation obligations to the CMRS
11 Providers for indirect traffic. Thus, it is very important for the final decision in
12 this arbitration to state clearly that when the ICOs and CMRS Providers exchange
13 intraMTA traffic through the BellSouth network, reciprocal compensation
14 principles apply to both the CMRS Providers and the ICOs.
15

16 B. ISSUE 8

17 **Q. WHAT IS THE APPROPRIATE PRICING METHODOLOGY FOR**
18 **ESTABLISHING A RECIPROCAL COMPENSATION RATE BETWEEN**
19 **THE CMRS PROVIDERS AND ICOS?**

20 **A.** In general, because of the ICOs' failure to produce (1) forward-looking cost
21 studies and (2) balance-of-traffic studies, FCC Regulations mandate that the TRA
22 adopt bill-and-keep as the appropriate compensation mechanism. Bill-and-keep
23 would remain the appropriate compensation mechanism, until the Commission
24 orders otherwise, based on each ICO's presenting (1) a valid, forward-looking cost
25 study, and (2) a valid balance of traffic study.
26

⁸ ICOs' Response, p 23.

1 **Q. IN ESTABLISHING TRANSPORT AND TERMINATION RATES, WHAT**
2 **OPTIONS ARE AVAILABLE TO THE TRA?**

3 A. Cingular and the ICOs are negotiating interconnection agreements pursuant to the
4 Telecommunications Act of 1996, which requires all telecommunications carriers
5 "to establish reciprocal compensation arrangements for the transport and
6 termination of telecommunications." 47 U.S.C. § 251(b)(5). In implementing
7 this provision of federal law, the FCC has promulgated rules (47 C.F.R. §
8 51.705(a)) that allow transport and termination rates to be established by one of
9 three methods:

10 An incumbent LEC's rates for transport and termination of
11 telecommunications traffic shall be established, at the
12 election of the state commission, on the basis of:

- 13
14 (1) The forward-looking economic costs of such
15 offerings, using a cost study pursuant to §§ 51.505
16 and 51.511;
17
18 (2) Default proxies, as provided in § 51.707; or
19
20 (3) A bill-and-keep arrangement, as provided in §
21 51.713.
22

23 The status of default proxies is unclear; arguably they have been invalidated and
24 are not properly available for consideration.⁹ Thus, practically, only two
25 alternatives are clearly available to the TRA for establishing ICO rates: (1)
26 forward-looking rates based on appropriate cost studies, or (2) bill-and-keep.¹⁰

⁹ *Iowa Utilities Bd v F C C*, 219 F 3d 744 (8th Cir 2000).

¹⁰ "States have three options for establishing transport and termination rate levels. A state commission may conduct a thorough review of economic studies prepared using the TELRIC-based methodology outlined above in the section on the pricing of interconnection and unbundled elements. Alternatively, the state may adopt a default price pursuant to the default proxies outlined below. If the state adopts a default price, it must either commence review of a TELRIC-based economic cost study, request that this Commission review such a study, or subsequently modify the default price in accordance with any

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Q. IF THE TRA ESTABLISHES A RECIPROCAL COMPENSATION RATE, MUST IT APPLY TO BOTH THE ICOS AND THE CMRS PROVIDERS?

A. Yes. 47 C.F.R. § 51.711(a) states unequivocally that "[r]ates for transport and termination of local telecommunications traffic **shall be symmetrical.**" [Emphasis added.]

Q. HOW MUST A RECIPROCAL COMPENSATION RATE BE DETERMINED?

A. FCC regulations require that reciprocal compensation rates be established on the basis of the ICOs' "forward looking costs" of transport and termination, using an appropriate cost study. 47 C.F.R. § 51.705. The FCC defines "forward-looking costs" in §51.505 as the sum of *total element long-run incremental cost* ("TELRIC") and a reasonable allocation of *forward-looking common costs*. In 47 C.F.R. §51.505 (e), the FCC further states that rates shall not exceed the forward-looking economic costs.

(e) Cost study requirements. An incumbent LEC must prove to the state commission that the rates for each element it offers do not exceed the forward-looking economic cost per unit of providing the element, using a cost study that complies with the methodology set forth in this section and §51.511 of this part.

revised proxies we may adopt As previously noted, we intend to commence a future rulemaking on developing proxies using a generic cost model, and to complete such proceeding in the first quarter of 1997 As a third alternative, in some circumstances states may order a "bill and keep" arrangement, as discussed below " *Local Competition First Report and Order*, ¶ 1055

1 **Q. MAY A SINGLE COMPOSITE RATE BE ESTABLISHED**
2 **TO APPLY TO ALL ICOS?**
3

4 A. No. The regulation quoted immediately above requires each ICO to present its
5 own cost study. The regulation does not allow one study for multiple companies,
6 nor does it allow a single rate to be averaged among several companies.
7

8 **Q. MUST TRANSPORT AND TERMINATION RATES REFLECT**
9 **COMPANY-SPECIFIC COSTS?**

10 A. Yes. For example, the termination costs of Ardmore Telephone Company (one of
11 the ICOs) should reflect the forward-looking switching costs per minute of use for
12 that particular company. Likewise, the termination costs of Peoples Telephone
13 Company (another of the ICOs), should reflect the forward-looking switching
14 costs of Peoples, not Ardmore. If a company uses Nortel's DMS10 switching
15 system, switch investment per line should reflect the current vendor engineered,
16 furnished and installed costs, after discounts, for a new or replacement switch
17 from the vendor. Land, building and other support asset costs should reflect only
18 the assets supporting central office equipment and their current costs for the
19 particular company involved. Operating expenses should reflect current switch
20 maintenance expenses for each particular company, exclusive of provisioning
21 expenses. Because each ICO's transport and termination rate must be based upon
22 costs specific to that company, a composite rate is not appropriate.
23

24 **Q. WHAT COST DOCUMENTATION IS REQUIRED FROM THE ICOS?**

1 A. Section 51.505(e)(2) specifically requires "a written factual record that is
2 sufficient for purposes of review". It also requires the cost study to be included in
3 the record of this proceeding if the cost study is considered by the TRA for
4 purposes of establishing a transport and termination rate for any ICO.
5

6 **Q. HAVE THE ICOS PRODUCED FORWARD-LOOKING COST STUDIES?**

7 A. No. Despite the requirement of 47 C.F.R. § 51.301(c)(8)(ii) to negotiate in good
8 faith by providing "cost data that would be relevant to setting rates if the parties
9 were in arbitration," the ICOs have failed to produce any cost data or forward-
10 looking cost studies. This is so despite the FCC's holding that "an incumbent
11 LEC may not deny a requesting carrier's reasonable request for cost data during
12 the negotiation process, because we conclude that such information is necessary
13 for the requesting carrier to determine whether the rates offered by the incumbent
14 LEC are reasonable."¹¹ As discussed above, the ICOs have even refused to
15 produce cost data in response to interrogatories and requests for production served
16 upon them in this docket.
17

18 **Q. CAN THE TRA ESTABLISH RECIPROCAL COMPENSATION RATES**
19 **FOR EACH ICO?**

20 A. No. 47 C.F.R. §51.505 (e) requires each ICO to support its transport and
21 termination rate with a forward-looking cost study. Without such a study, the
22 TRA cannot establish a rate.

¹¹ *Local Competition First Report and Order*, ¶ 155

1

2 **Q. WHAT ALTERNATIVE IS LEFT FOR ESTABLISHING A RECIPROCAL**
3 **COMPENSATION RATE FOR EACH ICO?**

4 A. Because the ICOs have failed to produce the required cost studies, the only
5 alternative left to the TRA under federal law--for establishing reciprocal
6 compensation rates--is bill-and-keep.

7

8 **Q. WHAT IS BILL-AND-KEEP?**

9 A. Under the bill-and-keep compensation method, neither party bills the other for
10 terminating traffic. Instead, each carrier is compensated for terminating the
11 other's traffic by reciprocal termination of its own traffic at no charge. Thus, 47
12 C.F.R. § 51.713(a) defines bill-and-keep arrangements as:

13 ". . . those in which neither of the two interconnecting carriers
14 charges the other for the termination of telecommunications traffic
15 that originates on the other carrier's network."
16
17

18 **Q. UNDER WHAT CIRCUMSTANCES MAY THE TRA ESTABLISH BILL-**
19 **AND-KEEP AS THE APPROPRIATE COMPENSATION MECHANISM**
20 **BETWEEN THE CMRS PROVIDERS AND ICOS?**

21 A. 47 CFR § 51.713(b) allows a state commission to impose bill-and-keep as the
22 required method of reciprocal compensation if the amount of telecommunications
23 traffic between the parties is "roughly balanced." Moreover, under subsection (c)
24 of § 51.713, a state commission may presume that traffic is roughly balanced
25 "unless a party rebuts such a presumption." This provision places the burden of

1 proof on the party asserting unbalanced traffic, both as to going forward with the
2 evidence and the burden of persuasion. The FCC does not require that traffic be
3 exactly balanced, and the state commission has discretion to establish thresholds
4 for determining that the traffic is roughly balanced.¹²

5
6 The above-quoted FCC Regulations would still allow the TRA to impose bill-and-
7 keep as the appropriate form of reciprocal compensation even if each ICO had
8 produced an appropriate forward-looking cost study. If traffic is roughly in
9 balance, then bill-and-keep should be applied, because each company will end up
10 billing roughly the same amount to the other company.

11
12 In the present case, of course, there are no cost studies and no traffic studies. The
13 absence of cost studies leaves the TRA with no options. For example, even if
14 there were evidence that the traffic exchanged between the ICOs and CMRS
15 Providers were not roughly in balance, the TRA could not establish a transport
16 and termination rate, because there are no appropriate cost studies.

17
18 **Q. SHOULD THE TRA APPLY BILL-AND-KEEP AS THE RECIPROCAL**
19 **COMPENSATION METHOD BETWEEN THE CMRS PROVIDERS AND**
20 **THE ICOS?**

21 **A.** Yes. In response to a specific CMRS Provider interrogatory, the ICOs have stated
22 that they "cannot determine the ratios of traffic that is transmitted pursuant to the
23 existing indirect arrangement through BellSouth." The ICOs have also admitted

¹² *Id.*, ¶¶ 1113-14.

1 that they have conducted no traffic studies to determine if the traffic between
2 them and the CMRS Providers is "roughly balanced."

3
4 FCC Regulations allow the TRA to presume that traffic is roughly balanced and
5 to impose bill-and-keep because of such presumption. In the present case,
6 because of the ICOs' failure to produce appropriate cost or traffic studies, bill-
7 and-keep is the only option available to the TRA.

8
9 **Q. HAS ANY OTHER STATE COMMISSION ADOPTED BILL-AND-KEEP**
10 **UNDER SIMILAR CIRCUMSTANCES?**

11 A. Yes. In the summer of 2002, several CMRS Providers engaged in a § 252
12 arbitration with a large number of Oklahoma ICOs that did not produce
13 appropriate forward-looking cost studies or traffic studies. The Oklahoma
14 Corporation Commission ruled:

15 "Because no forward-looking rate was established, and traffic is
16 roughly balanced, bill-and-keep should be adopted as the
17 appropriate mechanism for providing reciprocal compensation.
18 Any party may seek to establish rates in a subsequent docket, but
19 must present an individual cost study that complies with the Act,
20 and must show that establishing rates and rendering bills is more
21 economically appropriate than bill-and-keep."¹³

22
23
24
25 **Q. HAS THE DECISION OF THE OKLAHOMA CORPORATION**
26 **COMMISSION BEEN UPHELD ON APPEAL?**

¹³ See Issue 4 of the Issues Matrix attached to the Final Order of the Oklahoma Corporation Commission filed in this Docket on April 14, 2004

1 A. Yes. The United States District Court for the Western District of Oklahoma has
2 recently upheld the Oklahoma Commission's decision to impose bill-and-keep in
3 the absence of appropriate cost and traffic studies.

4 "Clearly, these rules allow a state commission to place the burden
5 of proof on carriers asserting that traffic is not in balance--here, the
6 RTCs. It is also clear that they authorize commissions to invoke a
7 presumption of roughly balanced traffic unless the commission
8 finds that such a presumption has been adequately rebutted.
9 Invoking this presumption is exactly what the Oklahoma
10 Corporation Commission did when it stated in its Interlocutory
11 Order (reaffirmed at p.3 of the Commissions' Final Orders), that
12 'there is a presumption of balanced traffic.'"¹⁴
13
14
15

16 **Q. IF THE TRA ESTABLISHES BILL-AND-KEEP AS THE RECIPROCAL**
17 **COMPENSATION MECHANISM, WILL THAT PREVENT THE ICOS**
18 **FROM LATER PRESENTING APPROPRIATE COST AND TRAFFIC**
19 **STUDIES AND ESTABLISHING TRANSPORT AND TERMINATION**
20 **RATES?**

21 A. No. As indicated above, the Oklahoma Commission allowed the ICOs to present
22 appropriate cost and traffic studies in a subsequent proceeding. The TRA can
23 adopt the same principle here.
24

25 **Q. TO ESTABLISH BILL-AND-KEEP AS THE APPROPRIATE**
26 **COMPENSATION MECHANISM, WHAT PROVISIONS OF THE CMRS**
27 **PROVIDERS' PROPOSED CONTRACT SHOULD THE TRA ADOPT?**

¹⁴ See page 12 of the Order of the United States District Court for the Western District of Oklahoma, filed in the Docket on April 14, 2004 (The ICOs have appealed this Order to the Tenth Circuit Court of Appeals)

1 A. Appendix A to the CMRS Providers' proposed contract contains the compensation
2 provisions. Specifically, Section I.A contains the rates for intraMTA traffic for
3 both direct and indirect interconnection. To effectuate bill-and-keep, the TRA
4 should adopt Appendix A, and the rates for direct and indirect interconnection
5 should be shown as "Bill-and Keep."

6

7 **Q. WHAT PRICING METHODOLOGY IS PROPOSED BY THE ICOS?**

8 A. As I discussed above, generally speaking it is difficult to determine the ICOs'
9 position on any particular issue. As nearly as I can determine, the ICOs' proposed
10 two-party agreement with CMRS Providers contains no indication of the
11 appropriate pricing methodology. Nor does the proposed two-party agreement
12 contain a transport and termination rate. Instead, the various compensation
13 provisions refer to a rate established in "Appendix X." That Appendix is not
14 included with the proposed two-party agreement.

15

16 The ICOs' Response, to which the proposed two-party agreement with CMRS
17 Providers is attached, devotes nine pages to a discussion of Issue 2. Like the
18 proposed two-party agreement, the Response also fails to propose a rate.

19

20 Regarding pricing methodology, I believe the ICOs' primary position to be as
21 follows. Reciprocal compensation and the FCC's pricing standards are not

1 applicable to indirect interconnection.¹⁵ Thus, according to the ICOs, they don't
2 have to pay reciprocal compensation for such traffic, nor do they have to produce
3 appropriate cost studies to support their rates. Therefore, they don't have to
4 provide a pricing methodology.¹⁶

5
6 As I have discussed above, however, this position finds no support in the Act or
7 implementing FCC Regulations, and the Hearing Officer has already ruled against
8 it. Once such a ruling is made, the ICOs' house-of-cards collapses. If reciprocal
9 compensation obligations apply to traffic exchanged through indirect
10 interconnection (and they do), then the ICOs' failure to produce appropriate cost
11 studies leaves bill-and-keep as the only option available to the TRA.

12
13 The ICOs' Response also points out that, because the ICOs are rural LECs, they
14 "are not subject to the FCC's specific pricing rules by virtue of the protections
15 afforded Rural Telephone Companies under Section 251(f)(1) of the Act."¹⁷
16 Section 251(f)(1) does allow qualifying Rural LECs to be exempt from the
17 provisions of § 251(c). However, the ICOs have not apparently claimed the rural
18 exemption, because as their Response points out, the CMRS Providers have the
19 right in this proceeding "to demonstrate that the protections afforded by Section

¹⁵ ICOs' Response, p 66. "Neither the concept of 'reciprocal compensation,' nor the associated pricing standard is applicable to the 'indirect' Section 251(a) interconnection arrangement chosen by the CMRS providers "

¹⁶ Thus, the ICOs' Response states " the fact that the ICOs have not provided costly company specific economic cost studies is consistent with the fact that the pricing standard is inapplicable " See p

67

¹⁷ ICOs' Response, p 64

1 252(f)(1) of the Act should no longer apply with respect to the pricing
2 methodology applicable to the ICOs."¹⁸

3

4 **Q. IS THE POSITION ADOPTED BY THE ICOS IN THIS PROCEEDING**
5 **SIMILAR TO THE POSITION ADOPTED BY THE OKLAHOMA ICOS?**

6 A. The position is virtually identical, with one noticeable difference. As a fall-back
7 position, the Oklahoma ICOs also introduced a single cost study that would have
8 established a uniform intraMTA transport and termination rate for all ICOs of ten
9 cents per minute. In the present case, the Tennessee ICOs have not produced a
10 fall-back cost study. They simply say that reciprocal compensation principles
11 don't apply to indirect traffic. If they lose that argument, and they already have in
12 the ruling on their Motion to Dismiss, there is nothing to fall back upon.

13

14 **Q. WAS THE OKLAHOMA ICOS' FALL-BACK RATE OF TEN CENTS PER**
15 **MINUTE ADOPTED IN OKLAHOMA?**

16 A. No. That rate was based on an access cost study, not a TELRIC-based study for
17 transport and termination rates. The Arbitrator and the Oklahoma Commission
18 both held that the study was inappropriate for reciprocal compensation purposes
19 since it did not meet the requirements of federal law.

20

21 **Q. WERE YOU INVOLVED IN THE OKLAHOMA PROCEEDING?**

22 A. Yes. I filed direct and rebuttal testimony on behalf of Cingular Wireless and
23 otherwise participated fully in the entire three-day hearing.

¹⁸

Id

1
2 **C. ISSUE 9**

3 **Q. ASSUMING THE TRA DOES NOT ADOPT BILL AND KEEP AS THE**
4 **COMPENSATION MECHANISM AND ACTUAL TRAFFIC**
5 **MEASUREMENTS ARE UNAVAILABLE, SHOULD THE PARTIES**
6 **AGREE ON A FACTOR TO USE AS A PROXY FOR THE MOBILE-TO-**
7 **LAND AND LAND-TO-MOBILE TRAFFIC BALANCE?**

8 A. Yes. Currently, some of the CMRS Providers have the capability to measure
9 traffic sent to or received from another carrier, while other CMRS Providers do
10 not. Thus, a typical interconnection agreement between an ICO and a CMRS
11 Provider that cannot measure traffic will contain a "traffic factor" to take the place
12 of real-time measurement on the part of the CMRS Provider. If the "traffic
13 factor" is set at 60/40, for example, then a wireless carrier will treat the amount
14 billed by the ICO as 60% of the total traffic exchanged between the parties, and
15 the CMRS Provider will, in turn, bill the ICO for the remaining 40%, which is
16 approximately 66% (40% divided by 60%) of what the ICO billed the CMRS
17 Provider.

18
19 Such a traffic factor is common in the industry and is contained in all of
20 Cingular's interconnection agreements involving reciprocal compensation rates.
21 Although the agreed-upon ratio can vary from contract to contract, the ratio
22 contained in several of Cingular's recent interconnection agreements with rural
23 telephone companies is 60/40.

1
2 The CMRS Providers believe that bill-and-keep is the appropriate compensation
3 mechanism until the ICOs produce appropriate cost and traffic studies. If the
4 TRA should decide, however, that the setting of a reciprocal compensation rate is
5 more appropriate, then any contracts between the CMRS Providers and ICOs
6 should contain an optional traffic factor to be applied if the CMRS Provider lacks
7 measurement capabilities. I have been unable to find such a traffic factor in the
8 ICOs' proposed two-party agreement. Thus, the best evidence of a factor that is
9 available to the TRA is the one suggested by the CMRS Providers in Appendix A;
10 i.e. 60/40.
11

12 **Q. YOU TESTIFIED THAT SOME CMRS PROVIDERS HAVE THE**
13 **ABILITY TO MEASURE TRAFFIC. SHOULD THE**
14 **INTERCONNECTION AGREEMENT ALSO CONTAIN A PROVISION**
15 **ALLOWING THOSE COMPANIES TO BILL ON A MEASUREMENT**
16 **BASIS?**

17 A. Yes. If the TRA chooses not to adopt bill-and-keep, then for those companies
18 with the capability, billing on actual usage is preferable to the use of a traffic
19 factor, which by nature is always an approximation. The CMRS Providers'
20 proposed contract contains a provision allowing reciprocal compensation billing
21 to take place on the basis of either real measurements or a traffic factor,
22 depending on the capability of the CMRS Provider. See Appendix A, § I.B. If
23 the TRA feels that bill-and-keep is not appropriate, then the TRA should adopt

1 this provision to allow CMRS Providers to issue reciprocal compensation bills
2 based on each carrier's capability. Of course, if the TRA adopts bill-and-keep, the
3 issue of a traffic factor will not arise.

4
5 **Q. WHAT IS THE ICOS' POSITION REGARDING THE USE OF TRAFFIC**
6 **FACTORS?**

7 A. The ICOs' Response claims that "the parties are not required to use default
8 [traffic] factors because the indirect traffic arrangement presumes that traffic will
9 be identified and measured."¹⁹ As I indicated, however, some of the CMRS
10 Providers lack the capability to measure traffic. If the TRA does not adopt bill-
11 and-keep as the appropriate compensation mechanism, then a traffic factor should
12 be included in each contract between the CMRS Providers and ICOs, along with
13 an option for billing based on actual measurement.

14
15 **D. ISSUE 10**

16 **Q. IF A CMRS PROVIDER AND AN ICO ARE EXCHANGING ONLY A DE**
17 **MINIMIS AMOUNT OF TRAFFIC, SHOULD THEY COMPENSATE**
18 **EACH OTHER ON A BILL-AND-KEEP BASIS?**

19 A. Yes. The FCC has recognized that transaction costs and administrative burdens
20 are appropriate considerations, in addition to the issues of "roughly balanced"
21 traffic and forward-looking cost studies, when analyzing the merits of bill-and-
22 keep proposals.²⁰ With many ICOs, some of the CMRS providers exchange a

¹⁹ ICOs' Response, p 71.

²⁰ "We expect, however, that when it is economically efficient to do so, parties will

1 relatively small amount of traffic. Even if the ICOs had produced appropriate
2 traffic and cost studies, if the companies were to bill each other for such small
3 amounts of traffic, the costs of measuring usage, generating a bill, sending the bill
4 and ensuring collection would exceed the revenues collected from the billing. In
5 such a case, bill-and-keep is the only reciprocal compensation principle that
6 makes economic sense. For this reason, the Oklahoma Corporation Commission
7 has ruled that CMRS providers and ICOs should exchange traffic on a bill-and-
8 keep basis "until an individual study shows that it is more economically and
9 justifiably appropriate to do otherwise."²¹ The TRA should adopt the same rule.

10
11 **Q. DOES THE CMRS PROVIDERS' PROPOSED CONTRACT CONTAIN A**
12 **PROVISION REGARDING DE MINIMIS TRAFFIC?**

13 A. Yes. Paragraph I.D of Exhibit A states that when the total traffic exchanged
14 between the Parties is less than 50,000 minutes of use for a one-month period, no
15 billings will be issued by either party. The TRA should adopt this provision.

16
17 **Q. WHAT IS THE ICOS' POSITION REGARDING DE MINIMIS TRAFFIC?**

18 A. The ICOs' Response states: "This issue of the CMRS providers is frivolous."²²

19
20 **Q. DOES CINGULAR CONSIDER THIS ISSUE "FRIVOLOUS?"**

adopt bill and keep arrangements in the negotiation process." *See Local Competition First Report and Order*, ¶ 1118.

²¹ See Issue 4 of Issues Matrix attached to the Final Order of the Oklahoma Corporation Commission that was filed in this Docket on April 14, 2004.

²² ICO Response, p 73

1 A. No. There are more than 1300 independent telephone companies in the United
2 States, and Cingular must be able to exchange traffic with all of them. The cost of
3 preparing and mailing bills to all of these independent companies would be
4 enormous. It makes no economic sense to Cingular to generate and mail a bill for
5 an amount less than the cost of producing the bill. Far from being frivolous, this
6 issue is extremely important to Cingular.

7
8 **Q. IF THE TRA ADOPTS BILL-AND-KEEP AS THE APPROPRIATE**
9 **COMPENSATION MECHANISM, IS THIS ISSUE MOOT?**

10 A. Yes. The "de minimis traffic" issue is important only if the TRA establishes a
11 reciprocal compensation rate. To justify that approach, however, each ICO must
12 produce appropriate traffic and cost studies. Since no such studies have been
13 produced, bill-and-keep is the only available alternative, and the issue of de
14 minimis traffic should not arise.

15

16 **E. ISSUE 11**

17 **Q. SHOULD THE PARTIES ESTABLISH AN INTER-MTA FACTOR?**

18 A. As discussed above, the Act and implementing FCC regulations require reciprocal
19 compensation principles to be applied to "telecommunications traffic," defined in
20 the case of CMRS Providers to be traffic that, at the beginning of the call,
21 originates and terminates in the same MTA. Although the law is far from clear on
22 this point, access charges arguably may apply to certain traffic exchanged

1 between the CMRS Providers and ICOs that does not, at the beginning of the call,
2 originate and terminate in the same MTA; i.e., interMTA traffic.

3
4 There is, however, no evidence in this proceeding to indicate that the CMRS
5 Providers and ICOs exchange significant amounts of traffic across MTA
6 boundaries, nor is there any evidence to indicate that any interMTA traffic that is
7 exchanged by ICOs and CMRS Providers is not roughly balanced. Thus, the
8 CMRS Providers' proposed contract (at Appendix A, § II) would have the parties
9 exchange interMTA traffic on a bill-and-keep basis. This would be the preferred
10 method, especially if the TRA adopts bill-and-keep as the reciprocal
11 compensation principle to apply to intraMTA traffic.

12
13 The CMRS Providers' proposed contract would allow the parties to agree to
14 replace bill-and-keep as the compensation method for interMTA traffic if a party
15 "believes that the volume of such traffic has increased to a significant level and is
16 no longer in balance." In such a case, billing for interMTA traffic would be based
17 on actual measurements, unless a party lacks the capability to make such
18 measurements. In that case, an agreed interMTA traffic factor would apply.

19
20 The CMRS Providers' proposed contract provision should be adopted by the
21 TRA, especially because the ICOs have failed to produce any evidence showing
22 that exchanged interMTA traffic is not de minimis and roughly balanced.

1 **Q. WHAT IS THE ICOS' POSITION ON THIS ISSUE?**

2 A. The ICOs' Response states: "The ICOs respectfully suggest that there is no basis
3 to arbitrate this issue."²³ Thus, the ICOs' proposed two-party agreement with
4 CMRS Providers, at § 4.5.2, would subject interMTA traffic "to treatment under
5 Rural LEC's intrastate and interstate access tariffs." In support of this provision,
6 the ICOs suggest that "the relative percentage of interstate and interMTA traffic
7 carried by wireless providers is growing,"²⁴ but offer nothing beyond anecdotal
8 speculation as proof. Absent credible evidence that interMTA traffic is not
9 roughly balanced and that it rises above a de minimis level, the CMRS Providers'
10 proposed contractual provision should be adopted.

12 **F. ICO ISSUE 6**

13 **Q. HOW SHOULD ACCESS CHARGES APPLY TO INTERMTA TRAFFIC?**

14 A. As discussed above, interMTA traffic exchanged by the CMRS Providers and the
15 ICOs is generally de minimis and roughly balanced and therefore should
16 presumptively be exchanged on a bill and keep basis. The ICOs, however, take
17 the position that access charges should apply to such traffic.²⁵ The CMRS
18 Providers would point out that, if the ICOs are correct, if access charges should
19 apply to interMTA traffic, then access charges should apply to both CMRS
20 Providers and ICOs.

²³ *Id.*, p. 76.

²⁴ *Id.*

²⁵ See ICO Additional Issue 6, ICOs' Response, p. 96

1 Inter-carrier compensation between landline and wireless companies involves
2 difficult details, especially in the case of interMTA traffic. The potential call
3 configurations are numerous and technical. Moreover, because there is no
4 credible evidence in the record that interMTA traffic rises above a de minimis
5 amount and is not roughly balanced, bill-and-keep principles should be applied.

6
7 **G. NET BILLING OPTION**

8 **Q. IF THE TRA DOES NOT ADOPT BILL-AND-KEEP AS THE METHOD**
9 **OF COMPENSATION, SHOULD THE CONTRACTS BETWEEN THE**
10 **CMRS PROVIDERS AND THE ICOS CONTAIN A NET BILLING**
11 **OPTION?**

12 A. Yes. Although this issue is not currently listed on the Joint Issues Matrix, it is
13 important to the CMRS Providers.

14
15 **Q. IF THE TRA DOES NOT ADOPT BILL-AND-KEEP, WHAT BILLING**
16 **OPTIONS SHOULD BE AVAILABLE TO THE PARTIES?**

17 A. As discussed above, some CMRS Providers can measure traffic on a real time
18 basis, others cannot. When traffic is measured, each party bills the other based on
19 such measurements. This option is provided for in Appendix A, § I.B.1 of the
20 CMRS Providers' proposed contract.

21
22 When a CMRS Provider cannot measure traffic, however, then a traffic factor
23 must be employed. In such a case, the ICO will bill the CMRS Provider for all

1 CMRS traffic terminated by the ICO--based on actual measurements of the ICO.
2 The CMRS Provider can then bill the ICO based on application of the traffic
3 factor to the ICO's bill. This is the "Mutual Billing" option described in Appendix
4 A, § I.B.2.b(i) of the CMRS Providers' proposed contract. In such a case,
5 however, the ICO can simply reduce its bill by the amount of the traffic factor,
6 and the CMRS Provider need not issue a bill at all. This is the "Net Billing"
7 option described in Appendix A, § I.B.2.b(ii).

8
9 The CMRS Providers' proposed contract would allow the wireless carrier that is
10 incapable of measuring traffic to select either the "Mutual Billing" or "Net
11 Billing" option. Since the ICO will produce a bill in either situation, the option
12 should be with the CMRS Provider.

13
14 If the TRA does not adopt bill-and-keep, then the CMRS Providers requests that
15 the "Net Billing" option be allowed. A decision to adopt bill-and-keep will, of
16 course, moot this issue.

17
18 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

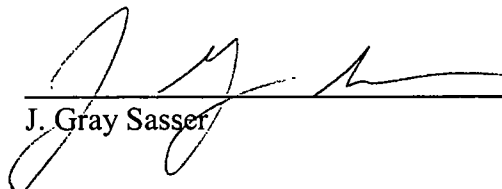
19 **A. Yes.**

CERTIFICATE OF SERVICE

I hereby certify that on June 3, 2004, a true and correct copy of the foregoing has been served on the parties of record, via the method indicated:

<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Stephen G. Kraskin Kraskin, Lesse & Cosson, LLC 2120 L Street NW, Suite 520 Washington, D.C. 20037
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	William T. Ramsey Neal & Harwell, PLC 2000 One Nashville Place 150 Fourth Avenue North Nashville, TN 37219
<input checked="" type="checkbox"/> Hand <input type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	J. Gray Sasser J. Barclay Phillips Melvin Malone Miller & Martin LLP 1200 One Nashville Place 150 Fourth Avenue North Nashville, Tennessee 37219
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Edward Phillips Sprint 14111 Capital Blvd. Wake Forest, NC 27587-5900
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Elaine D. Critides Verizon Wireless 13001 Street, NW Ste. 400 West Washington, DC 20005
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Paul Walters, Jr. 15 East 1 st Street Edmond, OK 73034
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Mark J. Ashby Cingular Wireless 5565 Glenridge Connector Suite 1700 Atlanta, GA 30342

<input type="checkbox"/>	Hand	Suzanne Toller
<input checked="" type="checkbox"/>	Mail	Davis Wright Tremaine LLP
<input type="checkbox"/>	Facsimile	One Embarcadero Center, #600
<input type="checkbox"/>	Overnight	San Francisco, CA 94111-3611
<input type="checkbox"/>	Hand	Beth K. Fujimoto
<input checked="" type="checkbox"/>	Mail	AT&T Wireless Services, Inc.
<input type="checkbox"/>	Facsimile	7277 164 th Ave., NE
<input type="checkbox"/>	Overnight	Redmond, WA 90852
<input type="checkbox"/>	Hand	Henry Walker
<input checked="" type="checkbox"/>	Mail	Jon E. Hastings
<input type="checkbox"/>	Facsimile	Boult Cummings, et al.
<input type="checkbox"/>	Overnight	P.O. Box 198062
		Nashville, TN 37219-8062
<input type="checkbox"/>	Hand	Dan Menser, Sr. Corp. Counsel
<input checked="" type="checkbox"/>	Mail	Marin Fettman, Corp. Counsel Reg. Affairs
<input type="checkbox"/>	Facsimile	T-Mobile USA, Inc.
<input type="checkbox"/>	Overnight	12920 SE 38 th Street
		Bellevue, WA 98006
<input type="checkbox"/>	Hand	Leon M. Bloomfield
<input checked="" type="checkbox"/>	Mail	Wilson & Bloomfield, LLP
<input type="checkbox"/>	Facsimile	1901 Harrison St., Suite 1630
<input type="checkbox"/>	Overnight	Oakland, CA 94612
<input type="checkbox"/>	Hand	Charles McKee
<input checked="" type="checkbox"/>	Mail	Sprint PCS
<input type="checkbox"/>	Facsimile	6450 Sprint Parkway MailStop 2A553
<input type="checkbox"/>	Overnight	Overland Park, KS 66251


 J. Gray Sasser

IN RE:

**CONSOLIDATED
DOCKET
03-00585**

**PETITION FOR ARBITRATION OF SPRINT SPECTRUM L.P.
D/B/A SPRINT PCS**

1

1 **Q. Please state your name and address.**

2 A My name is Billy H Pruitt. My business address is 6360 Sprint Parkway, Mailstop
3 KSOPHE0302-3C610, Overland Park, KS, 66251.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am a Manager-Access Management/Planning in the Sprint Business Solutions Group,
6 Carrier/Wholesale Markets, Access Management organization.

7 **I. PURPOSE AND SCOPE OF TESTIMONY**

8 **Q. What is the purpose of your testimony?**

9 A The purpose of my testimony is to provide input to the Tennessee Regulatory Authority
10 ("TRA") regarding the positions of Sprint Spectrum L.P. d/b/a Sprint PCS ("Sprint
11 PCS"), AT&T Wireless ("AWS"), Cingular Wireless, T-Mobile and Verizon Wireless
12 (collectively "the CMRS Providers") in consolidated Docket No. 03-00585 regarding
13 unresolved issues¹ associated with negotiations for an Interconnection and Reciprocal
14 Compensation Agreement between the CMRS Providers and members of the Tennessee
15 Rural Independent Coalition ("ICO(s)").

16 To avoid repetition to the extent reasonably possible, the CMRS Providers have
17 each assumed primary responsibility for certain designated issues in their respective
18 testimony. I am providing Sprint PCS specific information and have assumed primary
19 responsibility to provide testimony on behalf of all the CMRS Providers regarding the
20 following areas and related issues:

Area	Issue No
<ul style="list-style-type: none">Sprint PCS Contracting Entity; Existing Tennessee Interconnection Agreements; Tennessee Network; Network Enlargement through Management Agreements; Tennessee Numbering Resources; Billing and Traffic Management; "Meetpoint Conversion" with BellSouth;	ICO 4; Background

¹ See e g, "Petition for Arbitration of Sprint Spectrum L P d/b/a Sprint PCS" originally filed November 6, 2003 in Docket 03-00589 and subsequently consolidated in Docket 03-00585 ("Pet Arb ")

• Negotiations with Tennessee ICOs	Background
• Indirect Interconnection	CMRS 1, 2, 5, 6, ICO 2 and 9
• Network Changes	CMRS 18
• Scope of Traffic Subject to Reciprocal Compensation	CMRS 2(b)

To the extent not otherwise addressed by specific testimony submitted by me, for the limited purposes of this consolidated arbitration, Sprint PCS generally concurs with the testimony submitted by another CMRS Provider regarding those areas for which that CMRS Provider has assumed primary responsibility and submitted testimony.

As a final introductory matter, it is the CMRS Providers' position that to the extent an ICO desires to be compensated for the exchange of traffic on anything other than a bill and keep basis, that ICO has the burden to propose incremental cost-based transport and termination rates and produce an appropriate forward looking economic cost study supporting such rates pursuant to 47 C.F.R. § 51.705 (a). The CMRS Providers' have affirmatively requested production of such information but, as of the filing of this testimony, no such information has been produced and remains one of the subject matters of the CMRS Providers' pending Motion to Compel. Although the general compensation principles are being addressed in my testimony and that of other CMRS Providers', Sprint PCS intends and hereby affirmatively reserves its right to submit testimony of expert cost witness Talmage O. Cox, III regarding the appropriateness of any rate and ICO cost study that may be produced pursuant to resolution of the CMRS Providers' Motion to Compel.

Q. Would you please outline your educational background and business experience?

A. I joined Southwestern Bell Telephone Company in 1968 and served in multiple technical positions until 1970. In 1970, I was drafted into the US Army and was trained as a Radio

1 Relay and Carrier Attendant but served as a forest fire fighter. Upon my return to
2 Southwestern Bell I again served in multiple technical positions until 1983. I obtained a
3 Bachelor of Arts in Political Science degree from St. Louis University in 1981. In 1983,
4 I was appointed as a Manager in the Access Services group where I performed detailed
5 cost studies and developed rates for multiple technologies required to provide switched
6 access services. In 1986, I obtained a Masters of Business Administration degree from
7 Webster University. I was also promoted to the position of Area Manager Rates and
8 Cost Studies in 1986 and managed a work group responsible for switched access cost
9 study and rate development and the associated filings with state and federal regulatory
10 bodies. In 1990, I was appointed Area Manager Regional Sales where I developed and
11 presented competitive proposals for complex network services and served as the
12 Division's regulatory liaison. I retired from Southwestern Bell in December 1998 to
13 pursue other interests.

14 In September 1999, I accepted a position as Senior Engineer in the Carrier &
15 Interconnection Management (C&IM) Group at Sprint PCS responsible for negotiation of
16 interconnection agreements and facility agreements between Sprint PCS and other
17 telecommunications carriers, and for providing expert witness testimony for Sprint PCS.
18 In March 2003 I was assigned to Sprint's Access Management organization and now, due
19 to a subsequent reorganization, I am currently assigned to the Sprint Business Solutions
20 organization where I support Sprint long distance, wireless, and local service initiatives.

21 **Q. What are your responsibilities in your current position?**

22 A. In my current position I provide general enterprise support to various Sprint organizations
23 involved in the development and delivery of products and services to Sprint's wholesale
24 customers and negotiate contracts with LECs and alternate access vendors for services
25 and facilities required in the Sprint network. I also provide general negotiation and
26 contract support to the various negotiation teams at Sprint that negotiate interconnection

1 agreements with incumbent local exchange carriers and other telecommunications
2 carriers, and I provide expert witness testimony when required. In the performance of
3 my responsibilities described above I am required to understand and implement on a day-
4 to-day basis the obligations imposed on Sprint PCS by the Communications Act of 1934
5 as amended by the Telecommunications Act of 1996 ("the Act" or "the 1996 Act") and
6 the resulting rules and regulations of the Federal Communications Commission ("FCC")
7 and the state public utility authorities.

8 **Q. Have you testified previously before any state regulatory commissions?**

9 A Yes, I have testified on issues similar to the issues in this case before the Iowa Public
10 Utility Board, the Missouri Public Service Commission, the Nebraska Public Service
11 Commission, and the Oklahoma Corporation Commission.

12 **A. SPRINT PCS' SERVICE**

13 **1. Identification of Sprint Contracting Entity (ICO Issue 4) ²**

14 **Q. What Sprint entity will be the contracting party for the purpose of entering an**
15 **Interconnection and Reciprocal Compensation Agreement with an ICO in**
16 **Tennessee?**

17 A: Sprint Spectrum L.P. d/b/a Sprint PCS is authorized to provide Commercial Mobile
18 Radio Service³ in MTAs 11, 28, 29, 43 and 44 pursuant to FCC licenses issued to
19 WirelessCo., L.P. and SprintCom, Inc. Collectively, portions of these five (5) MTAs
20 encompass all of the State of Tennessee. Sprint Spectrum L.P. d/b/a Sprint PCS
21 (hereinafter "Sprint PCS") is the Sprint entity that will respectively contract with those
22 ICOs that terminate Sprint PCS traffic and do not already have an Interconnection
23 Agreement with Sprint PCS.

² References are to the Joint Issues Matrix filed March 3, 2004, Docket No. 03-00585 (e.g. "CMRS Issue #", "ICO Issue #")

³ Commercial Mobile Radio Service is generally understood and interchangeably referred to as "CMRS", "CMRS service" or "wireless service", albeit of a particular type

1 **2. Sprint PCS Current Tennessee Interconnection Agreements**

2 **Q: Please identify each Local Exchange Carrier (“LEC”) that Sprint PCS has an**
3 **interconnection agreement with regarding the exchange of traffic in Tennessee.**

4 A: Sprint PCS currently has a filed and TRA approved interconnection agreement governing
5 the exchange of traffic in Tennessee with BellSouth Telecommunications, Inc.;
6 CenturyTel, with respect to its three companies CenturyTel of Adamsville, Inc.,
7 CenturyTel of Claiborne, Inc. and CenturyTel of Ooltewah-Collegdale, Inc ; Citizens
8 Telecommunications Company of Tennessee, LLC (“Citizens”); and, United Telephone –
9 Southeast, Inc. (i.e. “Sprint Local Telecommunications Division” or “Sprint LTD”).
10 Sprint PCS exchanges traffic with other carriers on a default bill and keep basis.

11 **Q: Does Sprint PCS have Bill and Keep Arrangements with Other Carriers in**
12 **Tennessee?**

13 A: Yes. Sprint PCS exchanges traffic with BellSouth on a bill and keep basis.

14 **3. The Sprint PCS Network in Tennessee**

15 **Q. Please provide an overview of the Sprint PCS network in Tennessee.**

16 A. Sprint PCS provides wireless service in Tennessee via the use of its licensed spectrum,
17 mobile switching centers (“MSCs”), cell towers, and owned or leased transport facilities.
18 Cell towers located in a given MTA within Tennessee are connected via transport
19 facilities to a Sprint PCS MSC. Depending upon the location of the cell towers and
20 serving MSC, there is typically a direct interconnection established between the MSC and
21 a BellSouth, Citizens’ or Sprint LTD LATA tandem in the LATA where the cell towers
22 are located. Sprint PCS also has direct connections between a given MSC and certain
23 BellSouth end offices where the volume of exchanged traffic warrants it.

1 **4. CMRS Providers' Enlargement of Networks through Management Agreements**

2 **Q. What is the purpose of the CMRS Providers' proposed interconnection agreement**
3 **"Miscellaneous" Section XV, subsection A.⁴ regarding the expansion of a CMRS**
4 **Provider's network through the use of management contracts?**

5 **A. A CMRS Provider may extend its network through various means Common examples of**
6 network expansion include a CMRS Provider building out its existing network on its own
7 without any involvement of another carrier or third-party; purchasing another carrier's
8 existing network, using a third party to simply construct, i.e. "build out", but not retain
9 any management functions for the network extension; or, some combination of network
10 build out and network management by a third party. Under any of these scenarios, the
11 wireless link between the cell tower and mobile handset, and the interconnection that
12 must occur between the network and the Public Switched Telephone Network ("PSTN")
13 to result in the offering of wireless service, occurs pursuant to the use of the CMRS
14 Provider's licensed spectrum. As licensee, the CMRS Provider remains responsible for
15 the interconnection of an extended network to the PSTN, as well as the usage associated
16 with that extended network. Section XV, subsection A. expressly recognizes these
17 varying business relationships and acknowledges that traffic originating or terminating on
18 the network of a CMRS Provider, regardless of the underlying business relationships,
19 remains subject to the interconnection contract on the same terms, conditions and rates as
20 traffic that originates and terminates on the CMRS Provider's existing, core network.

⁴ Pet Arb , Exhibit 2, Section XV Miscellaneous, subsection A. provides:

Nothing in this Agreement shall prohibit CMRS Carrier from enlarging its CMRS network through management contracts with third parties for the construction and operation of a CMRS system under the CMRS Carrier's brand name and license. Traffic originating on such extended networks shall be treated as CMRS Carrier Traffic subject to the terms, conditions, and rates of this Agreement. Traffic traversing such extended networks shall be deemed to be and treated under this Agreement as CMRS Carrier Traffic when it originates on such extended network and terminates on ILEC's network, and as ILEC's Traffic when it originates upon ILEC's network and terminates upon such extended network. Traffic traversing on such extended networks shall be subject to the terms, conditions, and rates of this Agreement

1
2 **5. Sprint PCS Numbering Resources in Tennessee (CMRS Issue 12)**

3 **Q. Please provide an overview of the NPA-NXXs assigned to Sprint PCS in Tennessee.**

4 Attached hereto as "Exhibit A" is a chart containing the NPA-NXX codes currently
5 identified in the Local Exchange Routing Guide ("LERG") as assigned to Sprint PCS in
6 Tennessee; the LEC rate center to which each NPA-NXX is associated in the LERG; and,
7 each ICO rate center that is believed to have local service offerings under which an ICO
8 end-user should be able to call certain Sprint PCS NPA-NXXs on a local basis.

9 **6. Sprint PCS "Meetpoint Conversion" with BellSouth**

10 **Q. What compensation historically flowed between Sprint PCS, BellSouth, and an ICO**
11 **for a mobile originated call that BellSouth transited to an ICO for termination to**
12 **the ICO's customer?**

13 A. Under the original interconnection agreements between Sprint PCS and BellSouth, Sprint
14 PCS paid BellSouth \$0.002 per minute of use for transit charges and an amount intended
15 to compensate BellSouth for access charges it paid a subtending ICO to terminate Sprint
16 PCS traffic

17 **Q. How does Sprint PCS compensate BellSouth today for a mobile originated call that**
18 **BellSouth transits to an ICO for termination to an ICO customer?**

19 A. Under the current and effective interconnection agreement approved by the TRA on
20 September 20, 2002 in Docket No. 02-00836, Sprint PCS pays BellSouth \$0.002 per
21 minute of use for transit charges. The agreement does not contain terms that require
22 Sprint PCS to compensate BellSouth for charges BellSouth pays to subtending ICOs.

23 **Q. What caused Sprint PCS to seek a change in the manner that BellSouth charged**
24 **Sprint PCS for a mobile originated call that BellSouth transited to an ICO for**
25 **termination?**

1 A. Sprint PCS maintains that the majority of the mobile originated traffic transited by
2 BellSouth was intraMTA traffic that is not subject to access charges under the Act.
3 Sprint PCS and BellSouth modified their interconnection agreement to reflect the correct
4 application of the Act.

5 **Q. Is Sprint PCS able to measure traffic that is delivered to it by other**
6 **telecommunications carriers with which it has interconnection agreements?**

7 A. Yes. Sprint PCS, pursuant to the applicable interconnection agreement it may have with
8 another telecommunications carrier, is able to measure the traffic terminating to its
9 network on either a direct or indirect basis and provide an appropriate bill

10 **B. NEGOTIATIONS WITH TENNESSEE ICOS**

11 **1. Sprint PCS Individual Negotiations Experience with Tennessee ICOs**

12 **Q. Did Sprint PCS have interconnection negotiations with any ICOs prior to the**
13 **collective negotiations that preceded the filing of the Sprint PCS arbitration**
14 **petition?**

15 A. It is my understanding that Sprint PCS did have preliminary communications regarding
16 the subject of interconnection with representatives of DeKalb Telephone Cooperative
17 ("DeKalb"); TEC Services on behalf of Crockett Telephone Company, Inc., Peoples
18 Telephone Company, Inc., and West Tennessee Telephone Company, Inc. ("the TEC
19 Services ICOs"), and Ben Lomand Rural Telephone Cooperative, Inc. ("Ben Lomand").

20 **Q. What was the nature and result of these communications?**

21 A. It is my understanding that in October, 2001, Sprint PCS started receiving "Carrier
22 Access Bill[s]" from DeKalb. Upon receipt of the initial bill, Sprint PCS disputed that
23 bill (and has disputed all subsequent bills) and sent a formal response proposing either a
24 simple bill and keep arrangement, or negotiation of a more formal interconnection
25 agreement. No response was received and a follow up letter was sent in May, 2002 in
26 which Sprint PCS stated that it assumed that since no response had been received from

1 DeKalb that the exchange of traffic between the parties would be bill and keep. Within
2 two weeks, written correspondence was received from DeKalb's counsel (i.e. the ICOs
3 current counsel, Mr. Kraskin). Correspondence continued to be exchanged through
4 March 2003, but no substantive negotiations occurred. In early April, 2003 the ICOs
5 filed their *Petition For Emergency Relief And Request For Standstill Order* in Docket
6 No. 00-00523. Ultimately, the positions of Sprint PCS and DeKalb were reflected
7 within the issues raised in the collective CMRS – ICO negotiations that resulted from the
8 Hearing Officer's May 5, 2003 *Order Granting Conditional Stay, Continuing Abeyance,*
9 *And Granting Interventions* entered in Docket No. 00-00523 ("May 5, 2003 Order").

10 Regarding the TEC Services ICOs, it is my understanding that Sprint PCS started
11 receiving "Carrier Access Bill[s]" from TEC Services in February, 2003 for each of the
12 ICOs represented by TEC Services. Sprint PCS disputed those bills (and has disputed all
13 subsequent bills), and sent a formal response in March, 2003 to request that negotiations
14 begin for a reciprocal compensation agreement pursuant to Sections 332, 251 and 252 of
15 the Act. Sprint PCS was advised that the TEC Services ICOs were represented by the
16 ICOs current counsel, Mr. Kraskin. Similar to DeKalb, before substantive negotiations
17 commenced, the May 5, 2003 Order was entered in Docket No. 00-00523.

18 Regarding Ben Lomand, it is my understanding that in early spring 2002 Sprint
19 PCS received a customer complaint that Ben Lomand was requiring its Hillsboro end-
20 users to call a Sprint PCS NPA-NXX associated with the BellSouth Tullahoma exchange
21 on a 1+ toll basis even though Ben Lomand permitted its end-users to call BellSouth's
22 Tullahoma NPA-NXXs as a local, non-toll call. Sprint PCS contacted Ben Lomand in
23 writing to explain the limited amount of traffic at issue; point out how Ben Lomand could
24 appropriately route the traffic in issue on an indirect basis without imposition of toll
25 charges; and, submit a proposed bill and keep indirect agreement. A response was
26 received from Mr. Kraskin's firm on behalf of Ben Lomand that disagreed with Sprint

1 PCS's view of indirect interconnection, and suggested either a "reverse toll billing
2 arrangement" or a direct interconnection, with Sprint PCS to be responsible for all direct
3 facilities between Sprint PCS and Ben Lomand. At the time, Sprint PCS did not consider
4 it economically viable to either install a direct connection on the terms suggested by Ben
5 Lomand or to litigate its right to obtain the indirect interconnection and dialing parity to
6 which it is entitled under the Act. A business decision was made and both the Sprint PCS
7 complaining customer and the customer's daughter canceled their Sprint PCS service.
8 Thereafter, no further individual communications occurred between Sprint PCS and Ben
9 Lomand.

10 **2. CMRS Provider's Collective Negotiations Preceding Arbitration Filings**

11 **Q. Would you please describe the history of the collective negotiations with the ICOs**
12 **that preceded the arbitration filing?**

13 A. Yes. Pursuant to the May 5, 2003 Order in Docket No. 00-00523, the CMRS Providers
14 issued a *bona fide* request to begin interconnection and reciprocal compensation
15 negotiations to the ICOs under Section 252(b) of the Act on May 29, 2003. At the ICOs'
16 request, on June 6, 2003 the CMRS Providers confirmed that their request was for
17 negotiations pursuant to Section 251 of the Act. By letter dated June 10, 2003 the ICOs
18 agreed to the collective negotiation process.

19 The CMRS Providers and ICOs then met to negotiate terms of an interconnection
20 and reciprocal compensation agreement on several occasions. The first meeting was held
21 in Nashville, Tennessee, on June 2-3, 2003 at BellSouth's facilities. A second meeting
22 was held in Nashville on July 16, 2003. In addition to these two face-to-face negotiations
23 sessions, the CMRS and ICOs held negotiations via teleconference on August 4,
24 September 18, 30 and October 10, 2003.

25 **Q. Have the CMRS Providers and the ICOs exchanged draft proposed interconnection**
26 **arrangements?**

1 A. Yes. As proposed at the June 2, 2003 meeting in Nashville, the CMRS Providers sent a
2 negotiation document based upon the interconnection and reciprocal compensation
3 arrangement in effect between Verizon Wireless and TDS Telecom to the ICOs on June
4 20, 2003.⁵ The ICOs provided a redlined counter-proposal on July 10, 2003, which
5 provided terms and conditions for the exchange of indirect traffic between the ICOs,
6 CMRS Providers and BellSouth. The CMRS Providers subsequently proposed a redline
7 of the ICOs July 10, 2003 draft on September 5, 2003.

8 **Q. Have the CMRS Providers and the ICOs ever agreed to a “baseline” negotiation**
9 **document?**

10 A. No. At no time did the Parties agree to a baseline negotiation document, but did attempt
11 to address the substantive disputes pursuant to an issues list. Although several attempts
12 were made by both Parties to consolidate competing language into one document, neither
13 side agreed to a common document and, therefore, the issue of which document should
14 govern is one of the disputed items contained in the CMRS Provider arbitration petitions.

15 **Q. Have the CMRS Providers attempted to resolve issues of interim compensation**
16 **pending negotiation and approval of an interconnection arrangement by the TRA?**

17 A. Yes CMRS Providers have attempted to resolve issues of interim compensation for
18 traffic terminated by the Parties prior to there being an effective interconnection
19 agreement. On July 30, 2003, the CMRS Providers made an offer for an interim
20 reciprocal symmetrical compensation rate for the transport and termination of traffic prior
21 to the adoption of an interconnection agreement between the Parties.⁶ On August 4,

⁵ The CMRS Providers offered this agreement as a starting negotiation document. The document was based upon the current agreement governing the reciprocal compensation and exchange of indirect traffic between TDS and Verizon Wireless, as approved by the TRA in Docket No. 02-00973 (November 13, 2002). Both Verizon Wireless and TDS are parties to the collective negotiations.

⁶ See 47 C.F.R. § 51.715(a), (d).

1 2003, the ICOs rejected this offer. A second offer for interim compensation was made by
2 the CMRS Providers to the ICOs at the October 10, 2003 negotiation session. To date,
3 that offer has not been accepted by the ICOs.

4 **Q. Would you please provide an overview of the issues in dispute between the CMRS**
5 **Providers and the ICOs?**

6 A. Yes. There is no threshold dispute that the Parties are each subject to the Act. There is,
7 however, considerable disagreement over what the Parties are respectively entitled to
8 receive from, or are required to provide to, one another pursuant to the Act.

9 The lack of reciprocity and the imposition of access-like charges on intraMTA
10 traffic is the source of most of the disputes between the Parties. The Parties have also
11 been unable to agree on the level of reciprocal compensation rates to be charged for
12 transport and termination; the applicability of such rates to traffic exchanged on an
13 indirect basis; and, who bears responsibility for facility transport or transit costs beyond
14 the ICO service territory when such costs are associated with ICO originated traffic. In
15 addition, the ICOs claim that they are not required to treat CMRS Provider NPA/NXXs
16 rated in the ICOs' rate centers (or EAS areas) in the same manner as the ICOs'
17 NPA/NXXs or an EAS Incumbent Local Exchange Carrier ("ILEC") NPA/NXXs are
18 treated from either a dialing party or end user rate perspective.

19 **Q. Did the parties' negotiations include negotiations regarding both the indirect and**
20 **direct exchange of traffic?**

21 A. Yes. Throughout negotiations the parties considered and alternatively attempted to
22 negotiate an "indirect only" interconnection agreement as well as an "indirect and direct"
23 interconnection agreement. Since no agreement was reached under either approach, yet
24 similar issues need to be resolved regardless of the type of interconnection that may

1 occur⁷, the CMRS Providers seek an interconnection agreement consistent with federal
2 law that enables a CMRS Provider to interconnect either indirectly or directly as it
3 believes is warranted by the circumstances that exist between it and a given ICO.

4 Although the ICOs are attempting to limit any resolution of issues in this
5 arbitration to “indirect” interconnection (see CMRS Issues 14, 15), the ICOs’ submitted
6 documents also make it clear that the parties attempted to negotiate as to traffic
7 exchanged via both direct and indirect (i.e. referred to as “intermediary” by the ICOs)
8 interconnection.⁸ Resolution of all interconnection issues, both direct and indirect, is not
9 only mandated under federal law in light of the CMRS Providers’ request to establish
10 such options, but this approach will also avoid any need for an otherwise highly
11 undesirable but probable future duplicative arbitration between CMRS Providers and
12 ICOs over any “direct” interconnection issues that are not otherwise addressed now.

13 II. ARBITRATION ISSUES

14 A. INTERMEDIARY CARRIER PARTICIPATION

15 **Q. Is BellSouth required to be a Party to a CMRS/ICO arbitrated interconnection**
16 **agreement still an issue (CMRS Issue 3, 4,; ICO Issues 1, 3, 9)?**

17 **A.** No. The TRA has already decided that, as a transiting carrier, BellSouth is not obligated
18 to pay the ICOs for termination of CMRS originated traffic and, therefore, is not a

⁷ For example, the TRA needs to resolve issues surrounding an ICO’s responsibility to pay for applicable, reasonable costs to deliver its intraMTA originated traffic outside its exchange boundaries in either a direct or an indirect scenario. In a direct scenario these costs are reflected within the concept that an ICO is required to pay for its proportionate share of using dedicated interconnection facilities that link the parties’ respective networks, and, in an indirect scenario these costs are reflected in transit charges that an intermediate tandem provider would charge the ICO to transit ICO originated traffic from the ICO network to the terminating CMRS Provider network.

⁸ See *Response of The Rural Coalition of Small LECs and Cooperatives* filed December 1, 2003 in Docket 03-00585 (“ICOs’ Response”), Exhibit 2, Section 1 “1 x Direct Traffic” and “1 x Intermediary Traffic” definitions, Section 4 3 Compensation – Direct Traffic, and Section 4 5 Compensation – Intermediary Traffic.

necessary and indispensable party to the arbitrated CMRS/ICO interconnection agreement.⁹

Q. Must the issues that may exist between BellSouth and the ICOs be resolved before the ICOs and CMRS Providers establish an interconnection agreement between them (ICO Issue 9)?

A No. The resolution of any unresolved issues between BellSouth and the ICOs should not be a prerequisite to the establishment of an interconnection agreement between the CMRS Providers and the ICOs. Because there are a myriad of issues between carriers as they interconnect to each other and the PSTN in general, allowing the ICOs to delay a request for negotiation and interconnection subject to resolution of issues with non-party carriers would prove untenable. The Act does not permit the delay of a requested interconnection so that one Party may resolve issues associated with a non-Party carrier. If the law were otherwise, negotiations could be delayed indefinitely. The Act thus presumes that the Parties will work in good faith to negotiate an agreement for the exchange of traffic between them pursuant to the statutory timelines.

B. SCOPE OF THE CMRS – ICO INTERCONNECTION AGREEMENT (CMRS Issues 13, 14, 15; ICO Issues 5, 8)

Q. Should the scope of the Interconnection Agreement be limited to 1) traffic for which billing records (i.e., 11-01-01 or other industry standard call detail records) are delivered (Section I Scope, Appendix A Section I.B.1.a-c. and Appendix A Section I.B.2.b(ii)); 2) traffic transited by BellSouth (Section I, Scope); or 3) indirect traffic (Section 1, Scope, Section of Agreement, Section IV and Appendix A)?

A The scope of an interconnection agreement should apply to all traffic exchanged by the Parties and terminated on each Party's respective networks.

⁹ See April 12, 2004 *Order Denying Motion* in this Docket No. 03-00585, which denied the "Preliminary Motion of the Rural Coalition of Small LECs and Cooperatives to Dismiss or, in the Alternative, Add an Indispensable Party".

1 C. INDIRECT INTERCONNECTION (CMRS Issues 1, 2, 5, 6; ICO Issue 2)

2
3 **1. Pursuant to 47 U.S.C. § 251(a) and (b)(5), the ICOS have a Duty to Indirectly**
4 **Interconnect and Establish Reciprocal Compensation Arrangements Without**
5 **Regard to Whether Traffic is Delivered on a Direct or Indirect Basis (CMRS Issue**
6 **1, 2)**

7
8 **Q. Are the CMRS Providers and ILECs “telecommunications carriers” within the**
9 **meaning of Section 251(a) of the Act?**

10 A Yes. 47 U.S.C. § 153 (“Definitions”) defines a telecommunications carrier as “any
11 provider of telecommunications services, except that such term does not include
12 aggregators of telecommunications services”. By this definition, CMRS Providers,
13 CLECs and ILECs are all telecommunications carriers.

14 **Q. Are the ICOs “telecommunications carriers” within the meaning of Section 251(a)**
15 **of the Act?**

16 A. Yes As stated above, 47 U.S.C. § 153 defines a telecommunications carrier as “any
17 provider of telecommunications services, except that such term does not include
18 aggregators of telecommunications services”. By this definition, the ICOs are
19 telecommunications carriers within the meaning of Section 251(a) of the 1996 Act.

20 **Q. Are the ICOs “ILECs” within the meaning of Section 251(c) of the Act?**

21 A. It is my belief and understanding that the ICOs are incumbent local exchange carriers as
22 defined by Section 251(h) of the 1996 Act.

23 **Q What statutory provision and/or rule requires the ICOs to interconnect with CMRS**
24 **Providers regarding the exchange of traffic between their respective networks?**

25 A. Sections 251 and 252 of the Act created the framework for both the exchange of traffic
26 between the ICOs and CMRS Providers, and the resulting compensation due each party
27 for terminating traffic originated on the other’s network. The Act spells out the duties of
28 telecommunications carriers with respect to the exchange of traffic. The very first
29 general duty of an ICO as a telecommunications carrier is “to interconnect directly or

indirectly with the facilities and equipment of other telecommunications carriers”. 47 U.S.C. §251(a)(1); 47 C.F.R. § 51.100(a)(1).

Q. Does the Act include any compensation rules regarding the exchange of traffic between an ICO and a CMRS Provider?

A. Yes. 47 U.S.C. § 251(b)(5) imposes the duty upon an ICO “to establish reciprocal compensation arrangements for the transport and termination of telecommunications” The FCC has codified the ICOs’ interconnection obligations and the applicable reciprocal compensation rules at 47 C.F.R Part 51- Interconnection and at 47 C.F.R. §20.11. At 47 C.F.R § 51.701(b)(2) the FCC has defined the scope of traffic exchanged between an ICO and CMRS Provider that is subject to the FCC’s reciprocal compensation rules to be:

“(2)Telecommunications traffic between a LEC and a CMRS Provider that at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in §24.202(a) of this chapter.”

Based on the foregoing rule, all “intraMTA traffic” exchanged between the ICOs and CMRS Providers is subject to reciprocal compensation rather than any other charges.

Q. Are CMRS Providers responsible for paying compensation to an ICO that terminates a call originated by that CMRS Provider’s customers?

A. Yes. CMRS Providers are responsible for paying the terminating LEC the appropriate terminating reciprocal compensation charges for intraMTA traffic. Sprint PCS is willing to compensate the ICOs an appropriate reciprocal compensation rate for this intraMTA traffic Likewise, it is the ICO’s responsibility to compensate the CMRS Provider for intraMTA traffic that originated on the ICO’s network and is terminated by the CMRS Provider.

Q. Is an ICO obligated to establish reciprocal compensation arrangements with a CMRS Provider for traffic exchanged through a transiting carrier?

A. Yes. All LECs have the duty to “establish reciprocal compensation arrangements for the transport and termination of telecommunications”. 47 U S C § 251(b)(5); 47 C F R

1 §51.703(a). There is no exception for traffic exchanged via a transit provider. In
2 addition to any Section 251 obligations, an ICO also has a separate and distinct duty to
3 provide the type of interconnection reasonably requested by a wireless provider pursuant
4 to 47 C.F.R. §20.11(a), as well as a duty to establish mutual compensation arrangements
5 pursuant to 47 C.F.R. §20.11(b).¹⁰ These citations, when combined with the citations
6 defining the duty of all telecommunications carriers to interconnect on a direct or indirect
7 basis, clearly establish a requirement for the ICOs to negotiate interconnection
8 agreements with an originating carrier, even though traffic may be delivered to the ICO
9 by an intermediate transiting carrier.

10 **2. Indirect Interconnection and How it Occurs in Tennessee**

11 **Q. The ICOs have proposed a definition of interconnection that states that**
12 **interconnection is “the linking of the CMRS Carrier and Rural LEC networks at**
13 **the Interconnection Point for the mutual exchange of Direct Traffic”¹¹. Do the**
14 **CMRS Providers agree with this definition?**

15 **A.** No. The CMRS Providers believe that interconnection is not limited to “Direct Traffic”
16 and have proposed the following express definition of “Interconnection” that is
17 contained in the current FCC rules, 47 C.F.R. 51.5:

18 *“Interconnection is the linking of two networks for the mutual exchange of*
19 *traffic. This term does not include the transport and termination of traffic.”*
20

¹⁰ 47 C.F.R. §20.11 – Interconnection to facilities of local exchange carriers

(a) A local exchange carrier must provide the type of interconnection reasonably requested by a mobile service licensee or carrier, within a reasonable time after the request.

(b) Local exchange carriers and commercial mobile radio service providers shall comply with principles of mutual compensation

(1) A local exchange carrier shall pay reasonable compensation to a commercial radio service provider in connection with terminating traffic that originates on facilities of the local exchange carrier

(2) A commercial mobile radio service provider shall pay reasonable compensation to a local exchange carrier in connection with terminating traffic that originates on the facilities of the commercial mobile radio service provider

¹¹ ICO Response, Exhibit 2, Section 1 Definitions, subsection 1 x “Interconnection” definition

1 The FCC definition does not distinguish between "Direct" or "Indirect" traffic
2 and, therefore, the CMRS proposed language utilizing the FCC definition incorporates
3 both direct and indirect interconnection scenarios.

4 **Q. What is "indirect" interconnection?**

5 A. Indirect interconnection describes the scenario that exists when the CMRS Provider's
6 MSC is physically connected by a dedicated transport facility to a third-party LEC's
7 tandem to which the ICO is also typically physically connected by a common transport
8 facility. In an indirect interconnection scenario, there is no dedicated transport facility
9 between the CMRS Provider and the ICO.

10 **Q. Does BellSouth provide Sprint PCS transit service in Tennessee?**

11 A. Yes. BellSouth has been providing Sprint PCS transit service per an interconnection
12 agreement since at least November 1, 1998

13 **Q. Would you describe transit service generally?**

14 A Transit service is a service, generally provided by a third party LEC that owns a tandem
15 switch, which enables the exchange of traffic between two telecommunications carriers
16 that are connected to the same third party LEC tandem. Transit service is nothing more
17 than the third party LEC providing a tandem switching function and transport to complete
18 the delivery of an originating carrier's call to the terminating carrier's network.

19 **Q. Does the transit service provided by BellSouth under the terms of its**
20 **interconnection agreements with Sprint PCS provide a means by which Sprint PCS**
21 **may indirectly interconnect with the ICOs?**

22 A. Yes. The BellSouth arrangement is the classic means for providing indirect
23 interconnection. BellSouth is the historical LATA tandem provider that provides
24 connectivity to various types of telecommunications carriers (i.e., CMRS Providers,
25 CLECs, ICOs, LECs, etc.). Each of these carriers connects to the BellSouth tandem

1 because they desire to exchange traffic that originates on their own network with other
2 telecommunications carriers that are connected to the same BellSouth tandem.

3 **3. Third Party Traffic can be Delivered by BellSouth Even if ICOs do not Subtend the**
4 **BellSouth Tandem**

5
6 **Q. Should BellSouth transit CMRS Provider traffic to an ICO that does not subtend a**
7 **BellSouth tandem (ICO Issue 2)?**

8 **A.** Yes. The Act requires all carriers to connect directly or indirectly with each other. 47
9 U.S.C. § 251(a)(1). If it is technically feasible for BellSouth to deliver traffic to an ICO
10 that does not subtend a BellSouth tandem (e.g., BellSouth maintains a connection to the
11 ICO end office for the exchange of traffic), then such indirect interconnection is
12 appropriate and required under the Act.

13 **Q. When an intraMTA call initiated by the subscriber of a CMRS Provider that**
14 **originates on the CMRS Provider's network, transits BellSouth's network, and is**
15 **handed off to the ICO for termination, is the originating CMRS Provider obligated**
16 **to compensate the ICO for its portion of the transport and termination of an**
17 **intraMTA call?**

18 **A.** Yes. The originating CMRS Provider is obligated to compensate the ICO for its transport
19 and termination costs associated with an intraMTA call. Absent the ICO and the
20 originating CMRS Provider agreeing to a negotiated rate or a bill and keep arrangement,
21 the appropriate pricing methodology would be the forward-looking economic cost
22 standards identified in 47 C.F.R. §§ 51.505 and 51.511.

23 **4. Originating Carrier Bears the Obligation to Pay any Transit Costs**

24 **Q. Is each party to an indirect interconnection arrangement obligated to pay for the**
25 **transit costs associated with the delivery of intraMTA traffic originated on its**
26 **network to the terminating party's network? (Section IV.B.1&2)**

27 **A.** The FCC has established a Calling Party Network Pays ("CPNP") regime for

1 telecommunications traffic. Under this regime, when an ICO or a CMRS Provider is an
2 originating party, it is responsible for all costs of delivering its originated intraMTA
3 traffic to a terminating party and compensating the terminating party for the use of its
4 network in the termination of this intraMTA traffic. For CMRS Provider originated
5 indirect traffic routed through a third party tandem transit provider, CMRS Providers
6 acknowledge their responsibility to pay the transit provider for the costs associated with
7 delivery of CMRS Provider originated traffic to the terminating party's network. These
8 costs typically include a tandem switching charge and charges associated with the
9 common transmission facilities to the subtending LECs' network. Likewise, the ICOs are
10 obligated to pay any third party transit costs associated with delivering their originated
11 traffic to the terminating party in addition to compensating the terminating party for the
12 use of its network.

13 **Q. Do the ICOs follow the FCC's CPNP regime with respect to ICO originated traffic**
14 **that may be transited beyond the ICO's network to a CMRS Provider for**
15 **termination?**

16 **A.** No. To the contrary, Section 4.5.4 of the ICOs' proposed interconnection agreement
17 expressly seeks to shift to the CMRS Providers the transit costs that a tandem provider
18 (i.e. "Intermediary Provider") would charge an ICO to transit and deliver ICO originated
19 traffic to a CMRS Provider's point of interconnection at the LATA tandem when that
20 point of interconnection is outside the ICOs "incumbent LEC service area".¹² The ICOs

¹² ICO Response, Exhibit 2, Section 4 5 4 (emphasis added).

"[OPEN -- Subject to Change and the resolution of other terms and conditions with Intermediary Provider] This Agreement includes terms and conditions for the exchange of Intermediary Traffic between CMRS Carrier and Rural LEC under circumstances where CMRS Carrier does not establish an Interconnection Point within the incumbent LEC network of Rural LEC, and accordingly, traffic originated on the network of Rural LEC may be transported and switched by an Intermediary Provider beyond Rural LEC's incumbent LEC network. The Parties agree that *Rural LEC's willingness to offer and provide local exchange services to its end users and to route such local exchange service traffic to CMRS Carrier via an Intermediary Provider pursuant to an interconnection arrangement with the Intermediary Provider, to a point on*

1 argue that they have no obligation to deliver traffic to the point of interconnection even
2 though the call may well originate and terminate within the ICO's local calling area
3 (although the CMRS provider may receive the call at a tandem located outside the ICO
4 serving area, the CMRS provider will deliver the call wherever its end user is located,
5 including the ICO's serving territory). There simply is no provision within federal law to
6 justify the shifting of costs associated with ICO originated traffic to the terminating
7 CMRS Provider.

8 **Q. Do any FCC rules address the ICOs attempt to shift costs of their originating traffic**
9 **to the CMRS Providers?**

10 A. Yes 47 C.F.R. § 51.703(b) states that "[a] LEC may not assess charges on any other
11 telecommunications carrier for telecommunications traffic that originates on the LEC's
12 network." This rule codifies the general principal that the calling party's network pays
13 for the costs associated with the calls it generates.

14 **5. Co-mingling of Traffic on Common Transport Trunks (CMRS Issue 6)**
15

16 **Q. Can CMRS traffic be combined with other traffic types over the same trunk group?**

17 A. Yes. There is no technological reason for requiring CMRS Provider traffic to be
18 delivered over segregated trunk groups. It is also economically inefficient to require
19 separate and distinct trunk groups for CMRS traffic.

CMRS Carrier's network that is outside the incumbent LEC service area of Rural LEC, is conditioned on Rural LEC not incurring additional costs for transporting and switching such calls on networks beyond and outside its own incumbent LEC network. Therefore, to transport Intermediary Traffic, via an Intermediary Provider, to and from a point on CMRS Carrier's network outside of Rural LEC's incumbent LEC network, CMRS Carrier agrees to be responsible for compensation to Intermediary Providers for all Intermediary Services provided by the Intermediary Provider for the exchange of Intermediary Traffic. CMRS Carrier agrees to indemnify, defend and hold Rural LEC harmless against any and all charges and any other claims by the Intermediary Providers set forth in Appendix X for Intermediary Services provided by those Intermediary Providers for the exchange of Intermediary Traffic between the Parties "

1 Today, much of CMRS indirect traffic, especially that destined for rural ILECs,
2 is carried over multi-jurisdictional trunks. Combining CMRS traffic with intraLATA and
3 interLATA toll traffic and other traffic bound for the ICO on the same trunk group is
4 efficient. By aggregating traffic, all traffic can be carried at a lower cost over fewer
5 trunks. The ICOs would eliminate this efficiency by requiring separate trunks for
6 different types of traffic based on the claim that the ICOs cannot measure and bill for
7 multi-jurisdictional traffic carried over combined trunk groups.¹³

8 As an initial matter, it remains unclear why the ICOs cannot use the industry
9 standard 11-01-01 records that they receive from BellSouth to bill reciprocal
10 compensation to the CMRS Providers, which are the same records they presumably use
11 to bill switched access to IXCs. As referenced earlier in my testimony, several ICOs are
12 apparently relying upon these records to bill Sprint PCS. The TRA should not mandate
13 the implementation of more costly and inefficient network arrangements simply to
14 facilitate the ICOs' billing.

15 **D. DIRECT INTERCONNECTION (Issues 7, 15)**

16 **Q. What is "direct" interconnection?**

17 A. Direct interconnection describes the scenario in which a CMRS Provider's MSC is
18 physically connected to an ICO switch for the exchange of traffic and does not use the
19 switching function and common transport of a third party telecommunications carrier.
20 This direct connection can either be with an ICO's end office switch, the typical
21 configuration, or if the ICO has one, at the tandem switch. A direct connection utilizes a
22 dedicated transport facility between the two parties' respective networks.

23 **Q. Where should the point of interconnection ("POI") be if a direct connection is**
24 **established between a CMRS Provider's switch and an ICO's switch? (Section**
25 **IV.A1-A2, Definitions - Direct Interconnection, Interconnection)**

¹³ It is unclear whether the ICOs would go further and require separation by individual carriers

1 A. Under the Act the POI can be located at any technically feasible point on the ILEC's
2 network.¹⁴ The Parties, however, may also choose to locate the POI at a "meet point"
3 between the two networks. Location of the POI off the ILEC network is a matter of
4 negotiation.

5 **Q. What percentage of the cost of the direct connection facilities should be borne by the**
6 **ICO? (Section IV.A.-A2; Definitions – Direct Connection, Interconnection)**

7 A. Pursuant to applicable federal rules, the cost of the dedicated facility between the two
8 networks should be apportioned between the Parties based upon their relative use of such
9 facility. The facilities may be provisioned by a third party or by one of the
10 interconnecting carriers. The charges for such dedicated transport facility links are to be
11 flat-rated,¹⁵ based on the forward looking costing standard as prescribed by 47 C.F.R §§
12 51.505, 51.511, and are based upon the Parties' proportional use of the dedicated
13 facility.¹⁶

14 If a Party utilizes a one-way facility to deliver its originating traffic to a
15 terminating Party, then the proportional use rules require the originating Party to pay one-
16 hundred percent (100%) of that facility cost. If the Parties utilize a two-way direct
17 interconnection facility, then the proportional use rule requires the Parties to split the cost
18 based on their percentage of originated intraMTA traffic. This rule is applicable
19 regardless of the provider of the facility

20 **E. NETWORK CHANGES AND BELL SOUTH'S CONTINUED DELIVERY**
21 **OF TRAFFIC IF ICOs CHOOSE TO NOT SUBTEND A BELL SOUTH**
22 **TANDEM (CMRS Issue 18 and ICO Issue 2)**
23

24 **Q. If the ICO changes its network, what notification should it provide and which**
25 **carrier bears the cost?**

26 A The ICO must comply with the FCC's rules regarding notification of network changes

¹⁴ 47 U.S.C. § 252(c)(2)(B)

¹⁵ 47 C.F.R. 51.509(c)

¹⁶ 47 C.F.R. 51.709(b)

(47 C.F.R. §§ 51.325 through 51.335) and should bear the cost of those changes. If a CMRS Provider objects to a proposed change, the dispute should be handled pursuant to a TRA approved dispute resolution process. The ICO should be allowed to proceed with the network change, but should be required to maintain the existing network configuration until the dispute is resolved.

F. COMPENSATION (CMRS Issues 2, 8, 9, 10, 11; ICO Issue 6)

1. Reciprocal Compensation Rate Development

Q. What is the appropriate pricing methodology for establishing a reciprocal compensation rate for the exchange of indirect traffic?

A. The TRA should adopt bill-and-keep as the appropriate reciprocal compensation method until the ICOs (1) produce appropriate cost studies, and (2) rebut the presumption of roughly balanced traffic.

Under FCC regulations, 47 CFR 51.705, only three options are available to the TRA for establishing ICO reciprocal compensation rates:

(a) An incumbent LEC's rates for transport and termination of telecommunications traffic shall be established, at the election of the state commission, on the basis of.

(1) The forward-looking economic costs of such offerings, using a cost study pursuant to §§51.505 and 51.511;

(2) Default proxies, as provided in §51.707; or

(3) A bill-and-keep arrangement, as provided in §51.713.

The FCC's default proxy rates have arguably been invalidated and not available for consideration.¹⁷ Thus, the only option available to the TRA, in the absence of appropriate cost studies, is bill-and-keep.

Under 47 CFR § 51.713(b), a state commission may impose bill and keep as the required method of reciprocal compensation if the amount of telecommunications traffic

¹⁷ See *Iowa Utilities Bd., et al v F C C*, 219 F 3d 744 (8th Cir 2000)

1 between the Parties is “roughly balanced.” The FCC recognized that where there is
2 relatively balanced traffic, “bill and keep arrangements may minimize administrative
3 burdens and the transaction costs.”¹⁸ Under subsection (c) of § 51.713, a state
4 commission may presume that traffic is roughly balanced “unless a party rebuts such a
5 presumption.” Moreover, the FCC did not require that the traffic be exactly balanced and
6 the TRA has discretion to establish thresholds for determining that the traffic is roughly
7 balanced.¹⁹ Since the ICOs have not provided any data to rebut the presumption of
8 “roughly balanced” traffic between the parties, the TRA should approve bill and keep as
9 the compensation mechanism between the parties.²⁰

10 To the extent that the TRA does not adopt bill and keep, the burden is upon each
11 ICO to propose a company specific rate and produce an appropriate cost study, not upon
12 the CMRS Providers. 47 C.F.R. § 51.505 provides:

13 Cost study requirements. An incumbent LEC must prove to the state
14 commission that the rates for each element it offers do not exceed the
15 forward-looking economic cost per unit of providing the element, using a
16 cost study that complies with the methodology set forth in this section and
17 §51.511 of this part
18

19 Although the ICOs proposed negotiated rates prior to the arbitrations being filed, they
20 have yet to propose any rates in these proceedings and, in response to a request from the
21 CMRS Providers, the ICOs represented that they did not have any cost studies to support
22 their proposed transport and termination rates, and have never produced any cost data at

¹⁸ First Report and Order, CC Docket No. 96-98 at 1112 (issued August 8, 1996) (“*Local Competition Order*”)

¹⁹ See *Local Competition Order* at ¶¶ 1113-14. It should be noted that traffic balance is actually irrelevant for determining the efficiency of bill & keep as an intercarrier compensation system, if the assumption that underlies the CPNP system (originating party is the sole causer), is replaced with a more realistic assumption that both the caller and called party benefit from a call. See, e.g., Intercarrier Compensation NPRM, FCC 01-132 at ¶¶ 20-21 (Released April 27, 2001)

²⁰ See e.g., Corporation Commission of the State of Oklahoma, *In the Matter of the Application of Southwestern Bell Wireless L L C et al for Arbitration Under the Telecommunications Act of 1996*, Cause Nos. PUD 200200149, PUD 200200150, PUD 200200151, and PUD 200200153, Interlocutory Order, Order No. 466613 (August 9, 2002)

1 all. Thus, under FCC regulations, the establishment of a reciprocal compensation rate is
2 not appropriate at this time. Bill-and-keep is the only appropriate method of inter-carrier
3 compensation until the ICOs produce appropriate cost studies.

4 **2. Scope of Traffic Subject to Reciprocal Compensation (CMRS Issue 2(b), ICO Issue**
5 **6)**

6
7 **Q. Do the reciprocal compensation requirements of 47 USC § 251(b)(5) and the related**
8 **negotiation and arbitration process in § 252(b) apply to traffic exchanged indirectly**
9 **by a CMRS Provider and an ICO?**

10 **A.** Yes. The FCC rules expressly provide for the payment of reciprocal compensation on all
11 intraMTA traffic without regard to how it may be delivered.

12 The ICOs argue that section 251(b)(5) reciprocal compensation requirements do
13 not apply to traffic exchanged indirectly and that, instead, something like the FCC's
14 access charge regime applies to such traffic. Thus, the ICOs claim that they should be
15 allowed to charge the intermediate carrier for both calls they originate and terminate and
16 should pay nothing for land originated traffic to the terminating CMRS Provider. The
17 ICOs' position, however, is not supported by the Act or FCC regulations.

18 The obligation for indirect interconnection is set forth in Section 251(a)(1) of the
19 Act and is applicable to all telecommunications carriers, including the ICOs. The FCC
20 has issued a rule implementing this statutory requirement.²¹ Moreover, 47 CFR § 51.703
21 explicitly states:

22 (a) Each LEC shall establish reciprocal compensation
23 arrangements for transport and termination of
24 telecommunications traffic with any requesting
25 telecommunications carrier.
26

²¹ See 47 C F R §51.100(a)(1) This rule imposes a duty upon the ICOs "to interconnect directly or indirectly".

(b) A LEC may not assess charges on any other telecommunications carrier for telecommunications traffic that originates on the LEC's network

Reciprocal compensation arrangements, not access-like charges, apply to all "telecommunications traffic"²² In addition, when a carrier originates "telecommunications traffic," it "may not assess charges on any other telecommunications carrier." The FCC defines "telecommunications traffic," when it involves a CMRS Provider, to be:

. . . [t]elecommunications traffic between a LEC and a CMRS Provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in § 24.202(a) of this Chapter.

No distinction is made between direct and indirect traffic.

Q. Can access charges be applied to intraMTA traffic?

A. No. The FCC made it clear that under the 1996 amendments to the Act, access charges are not to be imposed upon intraMTA traffic, stating:

1035. With the exception of traffic to or from a CMRS network, state commissions have the authority to determine what geographic areas should be considered "local areas" for the purpose of applying reciprocal compensation obligations under section 251(b)(5), consistent with the state commissions' historical practice of defining local service areas for wireline LECs. . .

1036. On the other hand, in light of this Commission's exclusive authority to define the authorized license areas of wireless carriers, we will define the local service area for calls to or from a CMRS network for the purposes of applying reciprocal compensation obligations under section 251(b)(5). Different types of wireless carriers have different FCC-authorized licensed territories, the largest of which is the "Major Trading Area" (MTA). Because wireless licensed areas are federally authorized, and vary in size, we conclude that the largest FCC-authorized wireless license territory (i.e. MTA) serves as the most appropriate definition for local service area for CMRS traffic for purposes of reciprocal compensation under section 251(b)(5) as it avoids creating artificial distinctions between CMRS Providers. Accordingly, traffic to or from a CMRS network that originates and terminates within the same MTA is subject to transport and

²² See 47 C F R § 51 701(b)(2). See also, 47 C F R § 20 11(b)(1) ("A local exchange carrier shall pay reasonable compensation to a commercial mobile radio service provider in connection with terminating traffic that originates on facilities of the local exchange carrier ")

1 termination rates under section 251(b)(5), rather than interstate and intrastate
2 access charges.²³

3 **Q. Has the FCC issued any subsequent orders that support the Sprint PCS position?**

4 A. Yes. In an Order released April 27, 2001, the FCC further expanded on its previous
5 pronouncements, stating:

6 47. We note that the exchange of traffic between LECs and commercial mobile
7 radio service (CMRS) providers is subject to a slightly different analysis. In the
8 *Local Competition Order*, the Commission noted its jurisdiction to regulate LEC-
9 CMRS interconnection under section 332 of the Act but decided, at its option, to
10 apply sections 251 and 252 to the LEC-CMRS interconnection. At that time, the
11 Commission declined to delineate the precise contours of or the relationship
12 between its jurisdiction over LEC-CMRS interconnection under sections 252 and
13 332, but it made clear that it was not rejecting section 332 as an independent
14 basis for jurisdiction. The Commission went on to conclude that section
15 251(b)(5) obligations extend to traffic transmitted between LECs and CMRS
16 Providers, because the latter are telecommunications carriers. The Commission
17 also held that reciprocal compensation, rather than interstate or intrastate
18 access charges, applies to LEC-CMRS traffic that originates and terminates
19 within the same Major Trading Area (MTA). In so holding, the Commission
20 expressly relied on its "authority under section 251(g) to preserve the current
21 interstate access charge regime" to ensure that interstate access charges would be
22 assessed only for traffic "currently subject to interstate access charges," although
23 the Commission's section 332 jurisdiction could serve as an alternative basis to
24 reach this result. Thus the analysis we adopt in this Order, that section 251(g)
25 limits the scope of section 251(b)(5), does not affect either the application of the
26 latter section to LEC-CMRS interconnection or our jurisdiction over LEC-CMRS
27 interconnection under section 332. (Emphasis added.)
28

29 **Q. Why do you believe that the underlined section of this subsequent FCC decision is**
30 **noteworthy?**

31 A. The FCC reaffirms the application of the intraMTA rule established in the Local
32 Competition Order -- that CMRS calls that originate and terminate within a single MTA
33 as determined at the initiation of the call are within the scope of § 251(b)(5) for reciprocal
34 compensation purposes and access charges do not apply.

35 **Q. Are calls originated by subscribers of CMRS Providers that originate in a Tennessee**
36 **MTA and terminate to another telecommunications carrier within that same**
37 **Tennessee MTA subject to reciprocal compensation?**

²³ *Local Competition Order*, at paragraphs 1035 – 1036

1 A. Yes. Paragraph 1045 of the *Local Competition Order* established the criteria for
2 determining jurisdiction for calls between LECs and CMRS Providers. This paragraph
3 states that “[f]or administrative convenience, the location of the initial cell site when a
4 call begins shall be used as the determinant of the geographic location of the mobile
5 customer.” And, as stated above, 47 C.F.R. §51.701(b)(2) states that telecommunications
6 traffic between a LEC and a CMRS Provider that originates and terminates within the
7 same MTA is subject to reciprocal compensation. Therefore, calls originated by CMRS
8 customers to terminating telecommunications carriers’ switches, including ICO switches,
9 that originate and terminate in the same MTA (i.e., intraMTA calls) are calls subject to
10 reciprocal compensation.

11 **Q. Do the reciprocal compensation requirements of 47 USC § 251(b)(5) apply to**
12 **landline originated intraMTA traffic that is delivered to a CMRS Provider via an**
13 **Interexchange Carrier (IXC)?**

14 A. Yes. The FCC rules expressly provide for the payment of reciprocal compensation on all
15 intraMTA traffic without regard to how it may be delivered. As previously discussed
16 above, reciprocal compensation obligations apply to all intraMTA traffic regardless of
17 whether the traffic is completed directly or indirectly.²⁴ Moreover, the reciprocal
18 compensation obligation is not affected by the type of intermediary carrier, be it a
19 transiting carrier or an IXC. In this regard, the FCC determined in the *Local Competition*
20 *Order* that all traffic to or from a CMRS network that originates and terminates within
21 the same MTA is subject to transport and termination rates under section 251(b)(5) rather
22 than interstate and intrastate access charges.²⁵ Thus, for a call originated by an ICO

²⁴ See, also, Corporation Commission of Oklahoma, *In the Matter of Application of Southwestern Bell Wireless L L C et al for Arbitration Under the Telecommunications Act of 1996*, Cause Nos PUD 200200149, 200200150, 200200151, 200200153, Order No 466613, p 4 – Unresolved Issue No. 2 (August 9, 2002) (“[E]ach carrier must pay each other’s reciprocal compensation for all intra-MTA traffic whether the carriers are directly or indirectly connected, regardless of an intermediary carrier.”)

²⁵ *Local Competition Order*, ¶ 1043

customer that is carried by an IXC and terminates to a CMRS Provider within the same MTA under the existing FCC's rules, the ICO is obligated to pay reciprocal compensation charges to the CMRS Provider.

Q. Should the Parties establish a factor to delineate what percentage of traffic is interMTA and thereby subject to access rates? If so, what should the factor be? (Appendix A.II)

A. With current technology, neither the CMRS Providers nor the ICOs are able to determine whether a call, at its inception, is interMTA or intraMTA. In theory, call details exist at the switch level to make such identification, but no software currently can produce usable records from the call detail. For that reason, interconnection agreements between CMRS Providers and ICOs have traditionally included an "interMTA factor" delineating the percentage of total traffic exchanged between the Parties that, at the beginning of the call, originates in one MTA but terminates in another. Absent any traffic data, however, Sprint PCS submits that the interMTA traffic is negligible, should be deemed in balance and, therefore, also exchanged on a bill and keep basis.

G. DIALING PARITY (CMRS Issue 12)

Q. Must an ICO provide dialing parity and charge its end users the same rates for calls to a CMRS NPA/NXX as calls to a landline NPA/NXX in the same rate center? (Section XV.C).

A. Yes. The FCC rules expressly require dialing parity regardless of the called party's provider and other state commissions and basic principles of fairness and non-discrimination requires ICOs to charge the same end user rates.

Under existing law the ICOs are clearly required to provide dialing parity to CMRS Providers. 47 C.F.R. § 51.207 provides that a "LEC shall permit telephone exchange service customers within a local calling area to dial the same number of digits

1 to make a local telephone call *notwithstanding the identity of the customer's or the called*
2 *party's telecommunications service provider.*"²⁶ This code section on its face precludes
3 dialing distinctions based on the identity of the telecommunications service provider
4 Further, the FCC has specifically rejected ILEC claims that they do not have to provide
5 dialing parity to CMRS Providers.²⁷ Sprint PCS is not aware of any support for the ICO
6 position that the treatment of originating landline to wireless traffic for dialing purposes
7 is negotiable as opposed to being required by federal law.

8 Application of the dialing parity rule in this case means that when an ICO
9 enables its end-users to dial NPA-NXXs associated with a distant LEC's rate center on a
10 seven or ten digit basis, then the ICO must also program its switches to permit its end-
11 users to likewise dial the same number of digits to call a CMRS Provider NPA-NXX
12 associated with the distant LEC's same rate center. As identified in Exhibit A attached
13 hereto, several of the ICOs enable their end-users to dial NPA-NXXs in distant LEC rate
14 centers on a non-toll (i.e. 7 or 10 digit basis). As indicated in prior testimony regarding
15 Ben Lomand (pp. 10-11) it is my understanding, however, that unless a CMRS Provider
16 establishes either a "reverse toll billing" or a direct interconnection arrangement, the
17 ICOs typically will not *intentionally* provide dialing parity when those same end-users
18 call a Sprint PCS NPA-NXX associated with the distant LEC rate center.

²⁶ Emphasis added. See also 47 U.S.C. §251(b)(3)

²⁷ See *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers, Area Code Relief Plan for Dallas and Houston* CC Docket Nos. 96-98, 95-185, 92-237, Second Report and Order and Memorandum Opinion and Order, Release Number: FCC 96-333, 1996 FCC Lexis 4311 (Released: August 8, 1996) at ¶ 68 ("We reject USTA's argument that the section 251(b)(3) dialing parity requirements do not include an obligation to provide dialing parity to CMRS Providers.")

1 **H. MISCELLANEOUS**

2 **1. Billing**

3 **Q. What are the appropriate billing mechanisms for the ICOs and the CMRS**
4 **Providers to use to bill each other for the exchange of telecommunications traffic?**

5 A. The Parties could agree to bill based on actual measurement/records or based on some
6 mutually agreed to factor. The Parties could also choose to bill each other or have one of
7 the Parties agree to render a net bill. These options are described in APPENDIX A of
8 Sprint PCS' proposed Interconnection Agreement.

9 **Q. In the event the TRA does not adopt bill and keep as the compensation mechanism,**
10 **should the Parties agree on a factor to use as a proxy for the mobile-to-land and**
11 **land-to-mobile traffic balance if the CMRS Provider does not measure traffic?**
12 **(Appendix A.I.B.2.)**

13 A Yes. There are circumstances under which the Parties may need, or choose, to use
14 factors. In situations in which a CMRS Provider does not measure traffic it receives from
15 an ICO, or in cases in which the Parties agree that the CMRS Provider will not measure
16 such traffic, interconnection agreements usually contain a so-called "traffic ratio"
17 stipulating the proportion of total traffic originated by the wireless and wireline carrier.

18 **Q. In the event that the TRA does not adopt bill and keep as the compensation**
19 **mechanism for all traffic exchanged and if a CMRS Provider and an ICO are**
20 **exchanging only a *de minimis* amount of traffic, should they compensate each other**
21 **on a bill and keep basis? If so, what level of traffic should be considered *de***
22 ***minimis*? (Appendix A.1. Introduction and A.I.D.)**

23 A. Bill and keep is an appropriate compensation methodology when the amount of traffic
24 does not justify the cost of recording traffic and producing bills. Sprint PCS proposes
25 that less than 50,000 minutes per month is *de minimis*

26 If a CMRS Provider and ICO exchange a *de minimis* level of traffic, they should

1 compensate each other on a bill and keep basis. The FCC has recognized that transaction
2 costs and administrative burdens are appropriate considerations when analyzing the
3 merits of bill and keep proposals.²⁸ With many ICOs the CMRS Providers exchange a
4 tiny amount of traffic. If the companies were to bill each other for such traffic, the costs
5 of measuring usage, generating a bill, sending the bill, and ensuring collection could
6 exceed the revenues collected from the billing. In such a case, bill and keep is the only
7 reciprocal compensation principle that makes economic sense. Consistent with this
8 analysis, the Oklahoma Corporation Commission has ruled that CMRS Providers and
9 ICOs should exchange traffic on a bill and keep basis “until an individual study shows
10 that it is more economically and justifiably appropriate to do otherwise.”²⁹ Sprint PCS
11 recommends that the TRA make the same ruling

12 **2. Generic Contract Provisions (CMRS Issue 16, ICO Issues 10, 17)**
13

14 **Q. ISSUE 16: What standard commercial terms and conditions should be included in**
15 **the Interconnection Agreement?**

16 A. The TRA should adopt the standard terms and conditions contained in Exhibit 2 of the
17 Sprint PCS arbitration petition which are typical in other commercial contracts ³⁰

18 The CMRS Providers and ICOs have discussed various standard contractual
19 terms such as confidentiality, dispute resolution, indemnification and limitation of

²⁸ See *Local Competition Order* at ¶ 1112 and *Intercarrier Compensation NPRM* at ¶ 51.

²⁹ See Corporation Commission of the State of Oklahoma, *In the Matter of the Application of Southwestern Bell Wireless L L C et al for Arbitration Under the Telecommunications Act of 1996*, Cause Nos PUD 200200149, PUD 200200150, PUD 200200151, and PUD 200200153, Final Order, Order No 468958 (Oct. 22, 2002).

³⁰ Specific sections include: Section III - Interpretation and Construction, Section V, Independent Contractors; Section IV, Liability, Section VII, Term of Agreement; Section VIII, Dispute Resolution; Section IX, Third Party Beneficiaries; Section X, Governing Law, Forum and Venue, Section XI, Force Majeure, Section XII, Entire Agreement, Section XIII, Notice, Section XIV, Assignability; Section XV.A Network Managers, Section XVI, Nondisclosure of Proprietary Information, Section XVII, 47 U.S.C. § 252(i))

1 liability provisions. Although there was conceptual agreement on many of these issues,
2 there is not agreed upon language for any of them.

3 **Q. Under what circumstances should either Party be permitted to block traffic or**
4 **terminate the Interconnection Agreement? (Section VII.B&D)**

5 A. A Party may terminate when the other Party defaults in the payment of any undisputed
6 amount due under the terms of the Agreement, or upon providing requisite notice ninety
7 (90) days prior to the end of the term. All other disputes should be resolved pursuant to
8 the dispute resolution procedures proposed by the CMRS Providers. Blocking of traffic
9 should never be permitted.

10 **Q. Does this conclude your Testimony?**

11 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that on June 3, 2004, a true and correct copy of the foregoing has been served on the parties of record, via the method indicated:

<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Stephen G. Kraskin Kraskin, Lesse & Cosson, LLC 2120 L Street NW, Suite 520 Washington, D.C. 20037
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	William T. Ramsey Neal & Harwell, PLC 2000 One Nashville Place 150 Fourth Avenue North Nashville, TN 37219
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<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Elaine D. Critides Verizon Wireless 13001 Street, NW Ste. 400 West Washington, DC 20005
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Paul Walters, Jr. 15 East 1 st Street Edmond, OK 73034
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Mark J. Ashby Cingular Wireless 5565 Glenridge Connector Suite 1700 Atlanta, GA 30342
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Suzanne Toller Davis Wright Tremaine LLP One Embarcadero Center, #600 San Francisco, CA 94111-3611

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<input type="checkbox"/>	Facsimile	7277 164 th Ave., NE
<input type="checkbox"/>	Overnight	Redmond, WA 90852
<input type="checkbox"/>	Hand	Henry Walker
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<input type="checkbox"/>	Facsimile	Boult Cummings, et al.
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		Nashville, TN 37219-8062
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<input type="checkbox"/>	Overnight	12920 SE 38 th Street
		Bellevue, WA 98006
<input type="checkbox"/>	Hand	Leon M. Bloomfield
<input checked="" type="checkbox"/>	Mail	Wilson & Bloomfield, LLP
<input type="checkbox"/>	Facsimile	1901 Harrison St., Suite 1630
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Joseph M Chiarelli by *J. M. Chiarelli*
Joseph M. Chiarelli

LEC	LEC Rate Center	Rate Center Lata	Sprint PCS Numbers		ICO EAS Calling Areas Believed to Currently Exist
			NPA	NXX (s)	
BellSouth	CUMBERLAND GAP	466	423	441	CenturyTel of Claiborne, Inc. - New Tazewell and Sharps Chapel exchanges to Cumberland Gap, TN (Local Exchange Service Tariff, General Section A.).
BellSouth	BROWNSVILLE	468	731	277	Unknown
BellSouth	DYERSBURG	468	731	882	Unknown
BellSouth	JACKSON	468	731	293; 298	Unknown
BellSouth	MEMPHIS	468	901	210; 218; 219; 230; 238; 240; 270; 289; 292; 361; 596; 628; 679; 830	Unknown
BellSouth	CLARKSVILLE	470	931	302; 538	Unknown
BellSouth	COLUMBIA	470	931	334	Unknown
BellSouth	MURFREESBORO	470	615	396; 869; 995	DeKalb Milton, Woodbury and Woodland exchanges to Murfreesboro (including Murfreesboro 396, 869, 995). Tennessee Telephone Company - LaVergne exchange to Murfreesboro (General Exchange Tariff, Local Exchange Service, Section 2.1.B).
BellSouth	NASHVILLE	470	615	260; 293; 294; 300; 364; 400; 403; 414; 429; 438; 473; 479; 480; 491; 496; 497; 498; 500; 579; 715	Tennessee Telephone Company - LaVergne exchange to Nashville; Laverne exchange to Nashville MAC (Davidson County Customers only); Mt. Juliet exchange to Nashville (General Exchange Tariff, Local Exchange Service, Section 2.1.B)
BellSouth	SHELBYVILLE	470	931	575	Ben Lomand 394 exchange to Shelbyville 680.
BellSouth	SPRINGFIELD	470	615	389	Unknown
BellSouth	TULLAHOMA	470	931	588	Ben Lomand 467 exchange to Tullahoma 393, 454, 455, 461 and Ben Lomand 596 to Tullahoma 393, 454, 455 and 461.
Citizens	COOKEVILLE	470	931	284	Unknown
Citizens	CROSSVILLE	470	931	337	Unknown
BellSouth	CHATTANOOGA	472	423	400; 432; 503; 504; 505; 544	CenturyTel of Ooltewah-Collegedale, Inc. - Apison, Collegedale and Ooltewah exchanges to Chattanooga (TRA Tariff 1, C.3. Basic Local Exchange Service, Section 3.6.1 Metro Area Calling).
BellSouth	ATHENS	474	423	381	Tellico Telephone Company, Inc. - Niota and Riceville exchanges to Athens (Local Exchange Service Tariff, Part 111, Original Sheet 1A).

LEC	LEC Rate Center	Rate Center Lata	Sprint PCS Numbers		ICO EAS Calling Areas Believed to Currently Exist
			NPA	NXX (s)	
BellSouth	KNOXVILLE	474	865	300; 384; 385; 386, 405; 406; 684	CenturyTel of Claiborne, Inc. - Sharps Chapel exchange to Knoxville (Local Exchange Service Tariff, Section 3. C. Metro Area Calling); and, Tennessee Telephone Company - Halls Crossroads exchange to Knoxville Metro Calling Area as defined in Tariff of South Central Bell (General Exchange Tariff, Local Exchange Service, Section 2.1.B). Concord 865 Exchange to Knoxville (including Knoxville 300, 384, 385, 386, 405, 406 and 684).
BellSouth	MORRISTOWN	474	423	277	Unknown
BellSouth	ROGERSVILLE	474	423	293	Unknown
BellSouth	SWEETWATER	474	423	371	Tellico Telephone Company, Inc. - Tellico Plains, Vonore, Coker Creek and Ballplay exchanges to Sweetwater (Local Exchange Service Tariff, Part 111, Original Sheet 1A).
Sprint LTD	ELIZABETHTOWN	956	423	213	None
Sprint LTD	GREENEVILLE	956	423	972	None
Sprint LTD	HAMPTON	956	423	957	None
Sprint LTD	JOHNSON CITY	956	423	943; 946	None
Sprint LTD	KINGSPORT	956	423	963; 967	None
Sprint LTD	LIMESTONE	956	423	948	None
Sprint LTD	MOUNTAIN CITY	956	423	291	Skyline Telephone Membership Corporation

76 Total NPA - NXXs, representing over 560,000 individual telephone numbers.

1 **Q. PLEASE DESCRIBE YOUR WORK BACKGROUND.**

2 A. I have thirty years of experience in the telecommunications industry. From 1974 to 1979,
3 I was with South Central Bell Telephone Company, now part of BellSouth. I also
4 worked for AT&T from 1979 to 1987. During this period, I had a variety of assignments,
5 ranging from performing service cost studies early in my career to serving as a division
6 manager in planning, financial management and marketing assignments.

7
8 From 1988 to 1996, I was with Arthur Andersen & Co. in its telecommunications
9 consulting practice in New York and Atlanta. I served as a firm-wide expert in
10 telecommunications cost accounting and managed or provided advice on domestic and
11 international consulting projects for telephone companies. These projects included:

- 12
13 • Performing cost studies for pricing telecommunications services.
14 • Designing cost accounting systems and databases for measuring service costs.
15 • Developing cost performance measures for cellular and traditional wireline
16 businesses.
17 • Performing reviews of cost models for regulators.
18 • Benchmarking service costs among telephone companies.

19
20 I managed two important cost reviews for regulators while at Arthur Andersen. One was
21 a comparison of U.S. and Canadian toll costs for the Canadian Radio-television and
22 Telecommunications Commission (CRTC), and the other was a review of Bellcore's
23 Switching Cost Information System (SCIS) for the Federal Communication Commission.

1
2 While with Arthur Andersen, I developed and taught for several years a course in service
3 costing for the United States Telephone Association (USTA) given to telephone company
4 employees, regulatory staff and others.
5

6 **Q. PLEASE DESCRIBE YOUR WORK AS AN INDEPENDENT CONSULTANT.**

7 A. Since 1996, much of my work as an independent consultant has been in assisting the SBC
8 local exchange companies – Southwestern Bell, Pacific Bell, Nevada Bell and Ameritech
9 – in developing and supporting cost studies for unbundled network elements, collocation
10 and reciprocal compensation. My role has been to analyze cost models produced by
11 competitive local exchange carriers, to perform ad hoc analyses to address specific cost
12 issues and to assist in cost model development. I have provided expert testimony in
13 California, Nevada, Texas, Arkansas, Kansas, Oklahoma, Missouri and Wisconsin on
14 UNE costing, collocation costs or costs for reciprocal compensation. I also have
15 reviewed for wireless carriers independent telephone company cost studies underlying
16 proposed rates for reciprocal compensation.
17

18 **Q. WHAT IS YOUR CONSULTING ENGAGEMENT WITH THE COMMERCIAL**
19 **MOBILE RADIO SERVICE (CMRS) PROVIDERS IN THIS CASE?**

20 A. I was engaged by the CMRS Providers to review the transport and termination cost
21 studies produced by the Rural Coalition of Small LECs and Cooperatives (the “Coalition
22 companies”). The purpose of the review would be to determine whether the studies meet

1 the requirements for establishing transport and termination rates and to determine
2 whether the costs provided by the Coalition companies are reasonable.

3
4 **Q. WHY ARE THE COALITION COMPANY COST STUDIES IMPORTANT?**

5 A. The FCC rules in 47 CFR 71.705 for establishing incumbent local exchange carrier rates
6 for transport and termination call for rates to be determined based on "forward-looking
7 economic costs" or a bill-and-keep arrangement. Mr. Brown, also testifying on behalf of
8 the CMRS Providers, recommends a bill-and-keep arrangement between the CMRS
9 Providers and the Coalition companies. If the Authority does not adopt the bill-and-keep
10 arrangement, the only permissible approach is to base transport and termination rates on
11 the forward-looking economic costs of each Coalition company. The cost studies are
12 necessary to determine transport and termination rates, if bill-and-keep is not adopted.

13
14 **Q. DID THE COALITION COMPANIES PROVIDE TRANSPORT AND**
15 **TERMINATION COST STUDIES DURING NEGOTIATIONS WITH THE CMRS**
16 **PROVIDERS?**

17 A. I have been informed that they did not. 47 C.F.R. § 51.301(c)(8)(ii) requires the
18 Coalition companies to negotiate in good faith by providing "cost data that would be
19 relevant to setting rates if the parties were in arbitration." Based upon information I have
20 received from the CMRS Providers for whom I am testifying, the Coalition companies
21 failed to provide cost studies during the negotiations.

1 **Q. AFTER THE FILING OF THE CONSOLIDATED ARBITRATION PETITIONS,**
2 **WERE THE COALITION COMPANIES AGAIN ASKED TO PROVIDE COST**
3 **STUDIES, AND DID THEY PROVIDE THEM?**

4 A. The CMRS Providers requested in their first set of interrogatories cost studies to support
5 transport and termination rates proposed by the Coalition companies.¹ My understanding
6 is that, as of the date of the filing of my testimony, the Coalition companies still have not
7 provided cost studies. So, the CMRS Providers have not been provided any cost support
8 whatsoever for transport and termination rates.

9
10 **Q. GIVEN THAT YOU HAVE NOT BEEN ABLE TO REVIEW COMPANY-**
11 **SPECIFIC TRANSPORT AND TERMINATION COSTS, WHAT IS THE**
12 **PURPOSE OF YOUR DIRECT TESTIMONY?**

13 A. My testimony identifies requirements for cost-based transport and termination rates,
14 which the Coalition companies are obligated to meet. It describes the cost documentation
15 needed by the CMRS Providers and the Tennessee Regulatory Authority ("Authority" or
16 "TRA") to evaluate the reasonableness of any proposed rates. In other words, my
17 testimony discusses the burden of proof the Coalition companies must meet, if they wish
18 the TRA to establish reciprocal compensation rates for transport and termination.

19
20 **Q. WHAT ARE THE REQUIREMENTS FOR COST-BASED RECIPROCAL**
21 **COMPENSATION RATES?**

¹ "First Set of Interrogatories of the CMRS Providers Directed to Each of the Members of the Rural Coalition of Small LECs and Cooperatives," TRA Docket No 03-00585, Interrogatory I-11.

1 A. Incumbent local exchange carriers are permitted by the FCC to charge reciprocal
2 compensation to recover costs for two elements involved in handling traffic from other
3 carriers: (1) transport and (2) termination. The rules for incumbent Local Exchange
4 Carrier (LEC) transport and termination rates are provided at 47 CFR 51.705 (a).

5
6 (a) An incumbent LEC's rates for transport and termination of local
7 telecommunications traffic shall be established, at the election of the state
8 commission, on the basis of:

- 9 (1) the forward-looking economic costs of such offerings, using a cost
10 study pursuant to §§51.505 and 51.511 of this part;
11 (2) default proxies, as provided in §51.707 of this part; or
12 (3) a bill-and-keep arrangement, as provided in §51.713 of this part.
13

14 Transport and termination rates, if cost-based, are to be based on *forward-looking*
15 *economic costs*, which the FCC defines in §51.505 as the sum of *total element long-run*
16 *incremental cost* (TELRIC) and a reasonable allocation of *forward-looking common*
17 *costs*. In §51.505 (e), the FCC states that rates shall not exceed the forward-looking
18 economic costs.

19
20 (e) Cost study requirements. An incumbent LEC must prove to the state
21 commission that the rates for each element it offers do not exceed the
22 forward-looking economic cost per unit of providing the element, using a cost
23 study that complies with the methodology set forth in this section and
24 §51.511 of this part.
25

26 **Q. HOW ARE TRANSPORT AND TERMINATION DEFINED?**

27 A. The FCC in §51.701 (c) defines transport as “the transmission and any necessary tandem
28 switching of local telecommunications traffic subject to section 251 (b)(5) of the Act
29 from the interconnection point between the two carriers to the terminating carrier's end

1 office that directly serves the called party, or equivalent facility provided by a carrier
2 other than an incumbent LEC.”

3
4 Termination is defined in §51.701 (d) as “the switching of local telecommunications
5 traffic at the terminating carrier’s end office switch, or equivalent facility, and delivery of
6 such traffic to the called party’s premises.” *Termination* is the usage sensitive portion of
7 the end office switch, excluding the port or non-usage sensitive portion of the switch.
8 Termination excludes the switch line port. It also excludes the subscriber loop.

9
10 **Q. WHAT ARE THE SPECIFIC REQUIREMENTS FOR DETERMINING THE**
11 **TELRIC OF TRANSPORT AND TERMINATION AND A REASONABLE**
12 **ALLOCATION OF FORWARD-LOOKING COMMON COSTS?**

13 A. Section §51.505 (b) and (c) define total element long-run incremental cost and forward-
14 looking common costs. Rather than recite the FCC definitions, the following are four
15 specific requirements related to transport and termination costs:

- 16
17 • *Plant is to reflect forward-looking technology and costs.* Switching, transmission
18 equipment and cable costs utilized for transport and termination are to reflect currently
19 available equipment, at current vendor prices and company-specific discounts.
20 • *Plant capacity is to reflect an efficient network configuration.* The utilization levels for
21 end office switching (minutes of use per line) and transport (trunks and minutes of use
22 per trunk) are to represent efficient sizing of network elements.

- *Support asset costs and operating expenses are to be directly attributable to transport and termination and forward-looking.* Support assets include land, buildings and other plant necessary to house and operate switching systems and transport equipment. The amounts of these assets are to be reasonable, and their costs are not to reflect embedded costs.

Maintenance expenses associated with switching, transmission equipment and cable should exclude provisioning costs associated with retail end-user service connection charges. Operating expenses also should not reflect embedded or past operating costs, but current costs directly attributable to switching and transport.

- *Common costs allocated to transport and termination are to be forward-looking and costs that are efficiently incurred.* Common costs include, for example, executive, legal, accounting and other general and administrative costs not directly attributable to individual network elements, such as transport and termination.

Q. SHOULD TRANSPORT AND TERMINATION RATES REFLECT COMPANY-SPECIFIC COSTS?

- A. Yes, switching and transport costs likely vary among the Coalition companies due to differences in network architectures, transport distances and bandwidth, and numerous other factors. Since transport and termination rates are to be based upon an incumbent LEC's forward-looking economic costs, these differences should be reflected in company-specific cost studies.

1 **Q. WHAT COST DOCUMENTATION IS REQUIRED FROM THE COALITION**
2 **COMPANIES?**

3 A. 47 CFR 51.505 (e) (2) specifically requires “a written factual record that is sufficient for
4 purposes of review”. It also requires the cost study to be included in the record of this
5 proceeding if the cost study is considered by the Authority for purposes of establishing
6 transport and termination rates. The cost documentation provided by the Coalition
7 companies must be sufficient to validate the reasonableness of transport and termination
8 costs. The CMRS Providers expect cost documentation to show the source of key cost
9 data, such as switching, transmission equipment and cable costs, capacities and utilization
10 levels, expense factors and others. The documentation must demonstrate the
11 reasonableness of these cost data in terms of being specific to the individual company and
12 representative of efficient, forward-looking operations and costs, rather than embedded
13 costs.

14
15 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

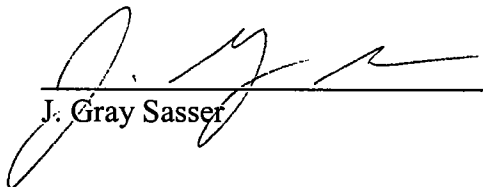
16 A. Yes, these are the requirements of the Coalition companies, if they are to base reciprocal
17 compensation on transport and termination costs, rather than bill-and-keep. It is their
18 obligation to produce adequate cost support and to demonstrate the reasonableness of
19 rates. Otherwise, the TRA cannot adopt any rates the Coalition proposes.

CERTIFICATE OF SERVICE

I hereby certify that on June 3, 2004, a true and correct copy of the foregoing has been served on the parties of record, via the method indicated:

<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Stephen G. Kraskin Kraskin, Lesse & Cosson, LLC 2120 L Street NW, Suite 520 Washington, D.C. 20037
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	William T. Ramsey Neal & Harwell, PLC 2000 One Nashville Place 150 Fourth Avenue North Nashville, TN 37219
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<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Edward Phillips Sprint 14111 Capital Blvd. Wake Forest, NC 27587-5900
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Elaine D. Critides Verizon Wireless 13001 Street, NW Ste. 400 West Washington, DC 20005
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<input type="checkbox"/>	Facsimile	One Embarcadero Center, #600
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<input type="checkbox"/>	Hand	Charles McKee
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<input type="checkbox"/>	Facsimile	6450 Sprint Parkway MailStop 2A553
<input type="checkbox"/>	Overnight	Overland Park, KS 66251


 J. Gray Sasser